

# Table of Contents <sup>1</sup>

<sup>1</sup> Table of contents introduced for ease of navigation on the web.

## Recommendation Summary

### Decision Packages

M1-93	Mandatory Caseload Adjustments
M2-8F	Fuel Rate Adjustment
M2-8M	Mileage Rate Adjustments
M2-8P	Postage Rate Adjustments
M2-8U	Utility Rate Adjustments
M2-9F	Federal Funding Adjustment
M2-9T	Transfers
M2-PK	Network Transition Costs
M2-UV	Utilization of Residential Services
M2-UW	Public Safety
M2-UX	Expanded Community Services
M2-UY	KAT Conversion
M2-UZ	Crisis Care Needs
M2-VN	HRMS Workload
M2-VP	HRMS Workload
M2-VT	OB-2 Rehabilitation
M2-WN	Network Switch Replacement
M2-WP	Client Identity Theft Protection



## Recommendation Summary

Budget Period:2005-07

Version: 31 - 05-07 Agency Req 2007 Sup wCB RPT

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>Program 040 - Div of Developmental Disabilities</b>					
<b>M1 - Mandatory Caseload and Enrollment Changes</b>					
93 Mandatory Caseload Adjustments	0	0.0	(744)	(489)	(1,233)
<b>SubTotal M1</b>		<b>0.0</b>	<b>(744)</b>	<b>(489)</b>	<b>(1,233)</b>
<b>Cumulative Total Thru M1</b>		<b>0.0</b>	<b>(744)</b>	<b>(489)</b>	<b>(1,233)</b>
<b>M2 - Inflation and Other Rate Changes</b>					
8F Fuel Rate Adjustment	0	0.0	(1)	0	(1)
8M Mileage Rate Adjustments	0	0.0	46	30	76
8P Postage Rate Adjustments	0	0.0	5	6	11
8U Utility Rate Adjustments	0	0.0	289	290	579
9F Federal Funding Adjustment	0	0.0	0	8,933	8,933
9T Transfers	0	(0.3)	(2,363)	(8)	(2,371)
PK Network Transition Costs	0	0.0	17	11	28
UV Utilization of Residential Services	0	0.0	7,731	8,904	16,635
UW Public Safety	0	0.3	532	477	1,009
UX Expanded Community Services	0	0.8	1,903	1,887	3,790
UY KAT Conversion	0	0.6	57	58	115
UZ Crisis Care Needs	0	15.3	1,455	1,461	2,916
VN Office Reloc One-Time Costs	0	0.0	43	35	78
VP HRMS Workload	0	1.5	88	92	180
VT OB-2 Rehabilitation	0	0.0	19	9	28
WN Network Switch Replacement	0	0.0	139	99	238
WP Client Identity Theft Protection	0	0.0	60	60	120
<b>SubTotal M2</b>		<b>18.1</b>	<b>10,020</b>	<b>22,344</b>	<b>32,364</b>
<b>Cumulative Total Thru M2</b>		<b>18.1</b>	<b>9,276</b>	<b>21,855</b>	<b>31,131</b>
<b>Total Proposed Budget for Program 040 - Div of Developmental Disabilities</b>		<b>18.1</b>	<b>9,276</b>	<b>21,855</b>	<b>31,131</b>

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This step adjusts funding for personal care by -\$1,233,000 (-\$744,000 GF-State) in Fiscal Year 2007. Per capita expenditure decline within the children segment of personal care is the reason for a funding decrease.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	(744,000)	(744,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(489,000)	(489,000)
<b>Total Cost</b>	<b>0</b>	<b>(1,233,000)</b>	<b>(1,233,000)</b>

**Staffing**

**Package Description:**

This step adjusts funding for personal care by -\$1,233,000 (-\$744,000 GF-State) in Fiscal Year 2007. Personal care refers to assistance with activities of daily living (bathing, eating, toileting, etc.) that is designed to keep people with developmental disabilities in community settings, and whenever possible, to remain within a family environment. Personal care is considered to be an entitlement. Funding has been adjusted based on the June 2006 forecasts by the Caseload Forecast Council (CFC) and Department of Social and Health Services (DSHS), Budget Office. Per capita expenditure decline within the children segment of personal care is the reason for a funding decrease.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Personal care helps people with developmental disabilities remain in community settings, and whenever possible, to live within a family environment.

***Performance Measure Detail***

**Agency Level**

**Activity: D074 Personal Care**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

The CFC updates its estimate of the number of children and adults eligible for personal care each year in February, June, and November. The Budget Office updated per capita expenditures for personal care prior to the preparation of this request.

***Impact on clients and services:***

This step reflects the costs associated with providing services to the number of clients eligible, under current law, for personal care.

***Impact on other state programs:***

Failure to adjust personal care, based on the CFC and DSHS forecasts, could affect the demand for and growth in



Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**

**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07    Version: D3 040 2005-07 Agency Request 2007 Sup

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Failure to adjust personal care, based on the CFC and DSHS forecasts, could affect the demand for and growth in out-of-home residential services provided by the Division of Developmental Disabilities (DDD) and the Aging and Adult Services Administration (AASA) (i.e. nursing facility services).

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

No revisions are needed if funding is adjusted based on the June 2006 forecast. It is likely that numerous Revised Codes of Washington, Washington Administrative Codes, and state plan revisions would be required if funding for this step is not adjusted.

***Alternatives explored by agency:***

The personal care caseload, as well as the expenditures required to serve this caseload are an entitlement, thus no alternatives were explored.

***Budget impacts in future biennia:***

Costs will be adjusted by future caseload (and per capita) forecasts.

***Distinction between one-time and ongoing costs:***

Costs in this package are ongoing.

***Effects of non-funding:***

Failure to adjust personal care based on the June 2006 forecast will keep funding at the level forecasted in February 2006.

***Expenditure Calculations and Assumptions:***

See attachment - DDD M1-93 Mandatory Caseload Adjustments.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
N    Grants, Benefits & Client Services	0	(1,233,000)	(1,233,000)

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	(744,000)	(744,000)
<i>Total for Fund 001-1</i>		<u>0</u>	<u>(744,000)</u>	<u>(744,000)</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	(489,000)	(489,000)
<i>Total for Fund 001-C</i>		<u>0</u>	<u>(489,000)</u>	<u>(489,000)</u>
Total Overall Funding		<u>0</u>	<u>(1,233,000)</u>	<u>(1,233,000)</u>

# 2007 Supplemental M1-93 Mandatory Caseload Adjustments

2007 Supplemental Budget (Change Analysis)						
FY07						
	Expenditures		Caseload	per caps		
	Total	State		Total	State	
<b>TOTAL (H52)</b>						
FY07 Appropriation	\$ 173,557,000	\$ 87,036,000	11,527	\$ 1,255	\$ 629	
June 06 Forecast	\$ 172,324,000	\$ 86,292,000	11,631	\$ 1,235	\$ 618	
Variance	\$ (1,233,000)	\$ (744,000)	104	\$ (20)	\$ (11)	
Per Cap Impact	\$ (2,770,000)	\$ (1,514,000)				
Caseload Impact	\$ 1,537,000	\$ 770,000				
<b>MPC</b>						
June 06 Forecast						
Children	\$ 17,312,157	\$ 8,640,498	1,832	\$ 787	\$ 393	
ARC	\$ 1,308,267	\$ 652,956	109	\$ 1,000	\$ 499	
AFH	\$ 12,868,986	\$ 6,422,911	771	\$ 1,392	\$ 695	
IP	\$ 44,395,988	\$ 22,158,038	3,178	\$ 1,164	\$ 581	
AP	\$ 9,264,315	\$ 4,623,820	511	\$ 1,512	\$ 755	
TOTAL	\$ 85,149,713	\$ 42,498,222	6,400	\$ 1,109	\$ 553	
<b>WPC</b>						
June 06 Forecast						
ARC	\$ 1,064,105	\$ 531,095	83	\$ 1,074	\$ 536	
AFH	\$ 14,125,531	\$ 7,050,052	778	\$ 1,513	\$ 755	
IP	\$ 55,721,551	\$ 27,810,626	3,528	\$ 1,316	\$ 657	
AP	\$ 13,803,166	\$ 6,889,160	842	\$ 1,366	\$ 682	
TOTAL	\$ 84,714,352	\$ 42,280,933	5,230	\$ 1,350	\$ 674	
<b>State Only</b>						
June 06 Forecast						
State Only	\$ 570,291	\$ 570,291				
<b>Other Expenses</b>						
June 06 Forecast						
Other Exp	\$ 1,889,247	\$ 942,923				

Department of Social and Health Services

**DP Code/Title: M2-8F Fuel Rate Adjustment**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests \$244,000 in State Fiscal Year 2007 for increased fuel costs.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	(1,000)	(1,000)
<b>Total Cost</b>	<b>0</b>	<b>(1,000)</b>	<b>(1,000)</b>

**Staffing**

**Package Description:**

DSHS is requesting \$244,000 in funding required to cover costs associated with the rising price of fuel. The estimate is based on the Department of Transportation (DOT) June 2006 forecast. DSHS received funds for these increased costs of doing business in State Fiscal Year 2006. No funds were provided in State Fiscal Year 2007.

DSHS provides supports and services to clients throughout the state using state owned vehicles.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Funding this request will enable the department to continue to have access to clients and the supports, which are critical in meeting client needs.

***Performance Measure Detail***

**Agency Level**

Activity: **D095 State Operated Living Alternatives**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

Fuel costs have significantly increased and DSHS requires additional funding.

***Impact on clients and services:***

DSHS will continue to maintain the current level of supports and services associated with meeting client needs.

***Impact on other state programs:***

None

***Relationship to capital budget:***

Not applicable

Department of Social and Health Services

**DP Code/Title: M2-8F Fuel Rate Adjustment**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

DSHS requires funding for rising fuel prices and cannot absorb this cost of providing services to clients.

***Budget impacts in future biennia:***

DOT fuel forecast will determine funding needed in future biennia.

***Distinction between one-time and ongoing costs:***

DOT fuel forecast will determine funding needed in future biennia.

***Effects of non-funding:***

Programs and services will be cut in order to stay within budgeted limits.

***Expenditure Calculations and Assumptions:***

See attachment AW M2-8F Fuel Rate Adjustment.xls

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>				
E	Goods And Services	0	(1,000)	(1,000)
 <b><u>DSHS Source Code Detail</u></b>				
<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Fund 001-1, General Fund - Basic Account-State				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	(1,000)	(1,000)
<b>Total for Fund 001-1</b>		<b>0</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>(1,000)</b>	<b>(1,000)</b>

**2007 Supplement Budget Request  
M2-8F Fuel Rate Adjustments**

**Rounded** =Round(link,-3)

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		29,000	29,000							29,000	29,000
020		53,000	53,000							53,000	53,000
030		144,000	144,000			1,000	1,000			145,000	145,000
040		(1,000)	(1,000)							(1,000)	(1,000)
050		0	0							0	0
060		5,000	5,000							5,000	5,000
070		0	0							0	0
080		0	0							0	0
100		10,000	10,000							10,000	10,000
110		3,000	3,000							3,000	3,000
150		1,000	1,000			(1,000)	(1,000)			0	0
Total	0	244,000	244,000		0	0	0		0	244,000	244,000

**State/Other Split**

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		20,000	20,000			9,000	9,000			29,000	29,000
020		52,000	52,000			1,000	1,000			53,000	53,000
030		115,000	115,000			30,000	30,000			145,000	145,000
040		(1,000)	(1,000)			0	0			(1,000)	(1,000)
050		0	0			0	0			0	0
060		2,000	2,000			3,000	3,000			5,000	5,000
070		0	0			0	0			0	0
080		0	0			0	0			0	0
100		10,000	10,000			0	0			10,000	10,000
110		2,000	2,000			1,000	1,000			3,000	3,000
150		0	0			0	0			0	0
Total	0	200,000	200,000		0	44,000	44,000		0	244,000	244,000

**2007-09 Biennial Budget  
ML-8F Fuel Rate Adjustment**

<u>Program</u>	<u>SFY 2005 Total Expend</u>	<u>SFY 2006 Funding</u>	<u>SFY 2007 Funding</u>	<u>SFY 2006 Total Expend</u>	<u>Gallons Used*</u>	<u>Projected Expenditures SFY 07 @ 2.72</u>	<u>SFY 2007 Request</u>
010	87,654	24,000	-	114,408	43,173	117,000	29,000
020	212,081	43,000	-	258,270	97,461	265,000	53,000
030	81,446	23,000	-	218,923	82,612	225,000	144,000
040	51,596	14,000	-	49,677	18,746	51,000	(1,000)
050	1,358	-	-	1,278	482	1,000	-
060	19,549	5,000	-	24,678	9,312	25,000	5,000
080	181	-	-	149	56	-	-
100	42,279	12,000	-	50,858	19,192	52,000	10,000
110	19,093	5,000	-	21,639	8,166	22,000	3,000
150	1,061	-	-	1,725	651	2,000	1,000
<b>Total</b>	<b>516,300</b>	<b>126,000</b>	<b>-</b>	<b>741,604</b>	<b>279,851</b>	<b>760,000</b>	<b>244,000</b>

∞ \*DOT Average Price per gallon equals \$2.65.

Department of Transportation (DOT) June 2006 Forecast Average price per gallon for SFY 2007 - \$ 2.72

DSHS Budget Office  
Dan Winkley

AW M2-8F Fuel Rate Adjustment.xls  
10/11/2006 3:00 PM

Department of Social and Health Services

**DP Code/Title: M2-8M Mileage Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests \$686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of \$.445 per mile.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	46,000	46,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	30,000	30,000
<b>Total Cost</b>	<b>0</b>	<b>76,000</b>	<b>76,000</b>

**Staffing**

**Package Description:**

DSHS requests \$686,000 in State Fiscal Year 2007 to fund the allowable reimbursement rate for automobile mileage of \$.445 per mile. Current state travel regulations allow a reimbursement rate for the use of privately owned vehicles when traveling on official state business (Social Worker duties, regional meetings, conferences, etc). DSHS is currently funded at the rate of \$.375 per mile set in the 2003-05 Biennium. DSHS is requesting the difference between the funded level of \$.375 per mile and the reimburseable level of \$.445 per mile. DSHS received funds for these increased costs of doing business in State Fiscal Year 2006. No funds were provided in State Fiscal Year 2007.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

This request meets the agency goal of developing services that meet geographic, cultural, tribal and individual needs.

**Performance Measure Detail**

**Agency Level**

**Activity: D036 Field Services**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: D079 Program Support for Developmental Disabilities**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: D086 Residential Habilitation Facilities**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: D095 State Operated Living Alternatives**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Reason for change:**

DSHS is not funded at the current allowable mileage reimbursement rate of \$.445 per mile.

**Impact on clients and services:**



Department of Social and Health Services

**DP Code/Title: M2-8M Mileage Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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Travel is a critical part of duties that are required of the department. Funding this request will allow DSHS to maintain current levels of service.

***Impact on other state programs:***

None

***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

None

***Budget impacts in future biennia:***

These costs will carry forward into future biennia.

***Distinction between one-time and ongoing costs:***

All costs are ongoing.

***Effects of non-funding:***

DSHS will not be able to absorb this cost increase without an offsetting reduction in program areas that are not fixed costs.

***Expenditure Calculations and Assumptions:***

Please see attachment AW M2-8M Mileage Rate Adjustments.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
G Travel	0	76,000	76,000

Department of Social and Health Services

**DP Code/Title: M2-8M Mileage Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	46,000	46,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>46,000</u>	<u>46,000</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19TA	Title XIX Assistance (FMAP)	0	30,000	30,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>30,000</u>	<u>30,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>76,000</u>	<u>76,000</u>

**2007 Supplemental Request  
ML-8M Mileage Rate Adjustment**

**Rounded** =Round(link,-3)

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		304,000	304,000							304,000	304,000
020		3,000	3,000							3,000	3,000
030		24,000	24,000							24,000	24,000
040		76,000	76,000							76,000	76,000
050		124,000	124,000							124,000	124,000
060		91,000	91,000							91,000	91,000
070		11,000	11,000							11,000	11,000
080		9,000	9,000							9,000	9,000
100		10,000	10,000							10,000	10,000
110		34,000	34,000							34,000	34,000
150		0	0							0	0
Total	0	686,000	686,000		0	0	0		0	686,000	686,000

**State/Other Split**

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		213,000	213,000			91,000	91,000			304,000	304,000
020		3,000	3,000			0	0			3,000	3,000
030		20,000	20,000			4,000	4,000			24,000	24,000
040		46,000	46,000			30,000	30,000			76,000	76,000
050		65,000	65,000			59,000	59,000			124,000	124,000
060		43,000	43,000			48,000	48,000			91,000	91,000
070		5,000	5,000			6,000	6,000			11,000	11,000
080		2,000	2,000			7,000	7,000			9,000	9,000
100		10,000	10,000			0	0			10,000	10,000
110		22,000	22,000			12,000	12,000			34,000	34,000
150		0	0			0	0			0	0
Total	0	429,000	429,000		0	257,000	257,000		0	686,000	686,000

# 2007 Supplemental Request M2-8M Mileage Rate Adjustment

Program	SFY 2006 Actuals	Estimated Allotment SFY 2007	Projection	SFY 2007 Request
010 - Children's Administration	1,922,558	1,625,558	1,930,000	304,000
020 - Juvenile Rehabilitatn Admin	17,279	14,279	17,000	3,000
030 - Mental Health	132,936	129,936	154,000	24,000
040 - Div of Developmental Disabilities	487,598	406,598	483,000	76,000
050 - Long Term Care Services	868,929	663,929	788,000	124,000
060 - Economic Services Admin	578,568	487,568	579,000	91,000
070 - Div of Alc/Substance Abuse	72,346	56,346	67,000	11,000
080 - Medical Assistance	49,824	49,824	59,000	9,000
100 - Vocational Rehabilitation	61,959	51,959	62,000	10,000
110 - Admin & Supporting Svcs	213,424	180,424	214,000	34,000
150 - Info SYS Svcs Div	3,697	3,697	4,000	0
	<b>4,409,119</b>	<b>3,670,119</b>	<b>4,357,000</b>	<b>686,000</b>

Increase from .375 to .445  
18.7%

DSHS Budget Office  
Dan Winkley

AW M2-8M Mileage Rate Adjustment.xls  
10/11/2006 3:00 PM

Department of Social and Health Services

**DP Code/Title: M2-8P Postage Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

Postage rates have increased by 5.4 percent due to a United States Postal Services (USPS) rate increase for first-class mail. The Department of Social and Health Services (DSHS) is requesting \$466,000 for Fiscal Year 2007 for the increase in first-class postage from \$.37 to \$.39.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	5,000	5,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	6,000	6,000
<b>Total Cost</b>	<b>0</b>	<b>11,000</b>	<b>11,000</b>

**Staffing**

**Package Description:**

Effective January 8, 2006 the USPS increased the rate for first-class mail to \$.39 from the former rate of \$.37. This request is for \$466,000 to fund a 5.4 percent increase in first-class postage rate.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Contributes to the agency goal reinforce strong management to increase public trust.

***Performance Measure Detail***

**Agency Level**

**Activity: D036 Field Services**

No measures linked to package

**Incremental Changes**

**FY 1** **FY 2**

0.00 0.00

**Activity: D079 Program Support for Developmental Disabilities**

No measures linked to package

**Incremental Changes**

**FY 1** **FY 2**

0.00 0.00

***Reason for change:***

This request is in response to the USPS first-class postage rate increase that went into effect January 8, 2006.

***Impact on clients and services:***

Communication between clients and programs is a routine and essential part of doing business. Clients expect written responses to their inquiries and concerns. Other areas impacted by the postage rate increase are payments to clients and notices to clients required by law.

***Impact on other state programs:***

All state programs are impacted by a USPS increase.

Department of Social and Health Services

**DP Code/Title: M2-8P Postage Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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***Relationship to capital budget:***

Not applicable

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

The USPS mail service is considered accessible to all clients and is an efficient means of communication. Other forms of communication or remittance of payments such as electronic banking and e-mail are not accessible to the majority of the department's clients or may require revisions to state laws.

***Budget impacts in future biennia:***

This is an increase that will carry forward into future biennia. The USPS is considering an additional rate increase in 2007 to \$.42.

***Distinction between one-time and ongoing costs:***

This item is an ongoing operational cost. There are no one-time cost associated with this request.

***Effects of non-funding:***

Non-funding may have negative results to the agency's ability to communicate with clients and remain responsive to constituent needs. If not approved, funds will have to be diverted from programs or services to cover the increased costs.

***Expenditure Calculations and Assumptions:***

Actual Object EB cost for Fiscal Year 2005 are used as the base for calculating the Fiscal Year 2007 increase.

See attachment AW M2-8P Postage Rate Adjustment

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
E Goods And Services	0	11,000	11,000

State of Washington  
Decision Package  
Department of Social and Health Services

FINAL

**DP Code/Title: M2-8P Postage Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	5,000	5,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>5,000</u>	<u>5,000</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19UL	Title XIX Admin (50%)	0	6,000	6,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>6,000</u>	<u>6,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>11,000</u>	<u>11,000</u>

**2007 Supplemental Budget Request  
M2-8P Postage Rate Adjustment**

**Department of Social & Health Services  
2007 Supplemental Agency Request - 8P Postage Rate Adjustment**

**Rounded** =Round(link,-3)

Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		29,000	29,000				0		29,000		29,000
020		2,000	2,000				0		2,000		2,000
030		1,000	1,000				0		1,000		1,000
030 SCC		1,000	1,000				0		1,000		1,000
040		11,000	11,000				0		11,000		11,000
050		23,000	23,000				0		23,000		23,000
060		340,000	340,000				0		340,000		340,000
070		4,000	4,000				0		4,000		4,000
080		37,000	37,000				0		37,000		37,000
100		5,000	5,000				0		5,000		5,000
110		13,000	13,000				0		13,000		13,000
150		0	0				0		0		0
<b>Total</b>	<b>0</b>	<b>466,000</b>	<b>466,000</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>466,000</b>	<b>466,000</b>

**State/Other Split**

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		14,000	14,000			15,000	15,000		29,000		29,000
020		2,000	2,000			0	0		2,000		2,000
030		1,000	1,000			0	0		1,000		1,000
030 SCC		1,000	1,000			0	0		1,000		1,000
040		5,000	5,000			6,000	6,000		11,000		11,000
050		11,000	11,000			12,000	12,000		23,000		23,000
060		194,000	194,000			146,000	146,000		340,000		340,000
070		2,000	2,000			2,000	2,000		4,000		4,000
080		20,000	20,000			17,000	17,000		37,000		37,000
100		5,000	5,000			0	0		5,000		5,000
110		9,000	9,000			4,000	4,000		13,000		13,000
150		0	0			0	0		0		0
<b>Total</b>		<b>264,000</b>	<b>264,000</b>		<b>0</b>	<b>202,000</b>	<b>202,000</b>		<b>0</b>	<b>466,000</b>	<b>466,000</b>



Department of Social and Health Services

**DP Code/Title: M2-8U Utility Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social & Health Services (DSHS) requests \$2,107,000 beginning July 1, 2006 to reflect the projected increases in utility costs and known utility rate increases for electric, natural gas, water, sewage, and other services.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	289,000	289,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	290,000	290,000
<b>Total Cost</b>	<b>0</b>	<b>579,000</b>	<b>579,000</b>

**Staffing**

**Package Description:**

DSHS requests \$2,107,000 for the Fiscal Year 2007 for utility cost increases directly related to heating, cooling, and lighting state owned and/or leased facilities when the energy is either (1) not obtained through the General Administration (GA), and/or (2) not included as part of monthly lease payments. Utility costs also include the amounts spent for water, sewer, and garbage.

This proposal relates specifically to any overall utility rate increases which have been approved by the Washington Utility and Transportation Commission (UTC) for Fiscal Year 2006 as well as projected costs for non UTC regulated utilities.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

**Performance Measure Detail**

**Agency Level**

Activity: **D086 Residential Habilitation Facilities**  
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

*Reason for change:*

This request is in response to known and projected utility rate increases for electrical, natural gas, water, sewage, and other services.

*Impact on clients and services:*

Utility costs are an integral component of the cost of providing basic living services to our institutional staff and clients.

*Impact on other state programs:*

Increases in utility rates impact four DSHS programs: (1) Juvenile Rehabilitation Administration, (2) Division of Developmental Disabilities, (3) Mental Health Division and the (4) Special Commitment Center.

State of Washington  
**Decision Package**  
**Department of Social and Health Services**

**FINAL**

**DP Code/Title: M2-8U Utility Rate Adjustments**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

No alternatives were explored as these costs will be paid as a fixed cost of doing business.

***Budget impacts in future biennia:***

The costs carry forward into future biennia.

***Distinction between one-time and ongoing costs:***

all cost are on going

***Effects of non-funding:***

The agency will need to pay the incurred utility costs regardless of funding. Non-funding will result in the further erosion of the ability of the agency to serve clients and maintain fiscal integrity.

***Expenditure Calculations and Assumptions:***

See attachment - AW M2-8U Utility Rate Adjustments.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
E Goods And Services	0	579,000	579,000

**DSHS Source Code Detail**

<b>Overall Funding</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources</u> <u>Title</u></b>			
0011 General Fund State	0	289,000	289,000
<b>Total for Fund 001-1</b>	<b>0</b>	<b>289,000</b>	<b>289,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources</u> <u>Title</u></b>			
19TA Title XIX Assistance (FMAP)	0	290,000	290,000
<b>Total for Fund 001-C</b>	<b>0</b>	<b>290,000</b>	<b>290,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>579,000</b>	<b>579,000</b>

**2007 Supplemental Request  
M2-8U Utility Rate Adjustment**

Worksheet: Program Fiscal Impact

Program	Institution	Budget Unit	SSO	FY2004	FY2005	FY2006	FY2007	FY07 Request
020	Echo Glen Children's Center	G42	EC-3120	3,501	6,985	7,072	9,424	2,000
020	Echo Glen Children's Center	G42	EC-3140	3,984	23,796	20,379	32,448	9,000
020	Echo Glen Children's Center	G42	EC-3150	1,337	8,026	7,357	11,593	4,000
020	Echo Glen Children's Center	G42	EC-9110	104,363	111,529	136,510	149,615	38,000
020	Echo Glen Children's Center	G42	EC-9120	104,384	138,637	178,295	214,350	76,000
020	Echo Glen Children's Center	G42	EC-9125	0	0	0	0	0
020	Echo Glen Children's Center	G42	EC-9130	0	0	0	0	0
		<b>G42 Total:</b>		<b>217,569</b>	<b>288,973</b>	<b>349,613</b>	<b>417,430</b>	<b>128,000</b>
020	Maple Lane School	G43	EC-3120	49,975	44,962	46,678	43,907	(1,000)
020	Maple Lane School	G43	EC-3140	79,453	75,890	100,766	119,683	44,000
020	Maple Lane School	G43	EC-3150	0	0	0	0	0
020	Maple Lane School	G43	EC-9110	150,954	134,548	155,849	152,012	17,000
020	Maple Lane School	G43	EC-9120	181,620	110,933	105,171	56,126	(55,000)
020	Maple Lane School	G43	EC-9125	0	0	0	0	0
020	Maple Lane School	G43	EC-9130	0	0	0	0	0
		<b>G43 Total:</b>		<b>462,002</b>	<b>366,333</b>	<b>408,463</b>	<b>371,728</b>	<b>5,000</b>
020	Green Hill School	G44	EC-3120	22,750	23,193	25,212	26,180	3,000
020	Green Hill School	G44	EC-3140	43,945	46,898	45,683	47,247	0
020	Green Hill School	G44	EC-3150	26,679	27,171	23,565	22,691	(4,000)
020	Green Hill School	G44	EC-9110	168,221	182,391	181,279	190,355	8,000
020	Green Hill School	G44	EC-9120	157,986	179,554	228,118	258,684	79,000
020	Green Hill School	G44	EC-9125	0	0	0	0	0
020	Green Hill School	G44	EC-9130	0	0	0	0	0
		<b>G44 Total:</b>		<b>419,582</b>	<b>459,207</b>	<b>503,857</b>	<b>545,157</b>	<b>86,000</b>
020	Naselle Youth Camp	G45	EC-3120	27,766	21,590	10,197	2,282	(19,000)
020	Naselle Youth Camp	G45	EC-3140	224	0	0	(150)	0
020	Naselle Youth Camp	G45	EC-3150	29,579	27,823	28,063	26,972	(1,000)
020	Naselle Youth Camp	G45	EC-9110	154,573	151,760	138,395	132,065	(20,000)
020	Naselle Youth Camp	G45	EC-9120	0	0	0	0	0
020	Naselle Youth Camp	G45	EC-9125	14,787	15,914	22,989	26,099	10,000
020	Naselle Youth Camp	G45	EC-9130	546	8,617	11,777	18,211	10,000
		<b>G45 Total:</b>		<b>227,476</b>	<b>225,704</b>	<b>211,422</b>	<b>205,480</b>	<b>(19,000)</b>
		<b>Program 020 Total:</b>		<b>1,326,628</b>	<b>1,340,217</b>	<b>1,473,356</b>	<b>1,539,794</b>	<b>200,000</b>

**2007 Supplemental Request  
M2-8U Utility Rate Adjustment**

Worksheet: Program Fiscal Impact

Program	Institution	Budget Unit	SSO	FY2004	FY2005	FY2006	FY2007	FY07 Request
030	Secure Comm Transition Facilities	G73	EC-3120	0	3,179	0	1,060	(2,000)
030	Secure Comm Transition Facilities	G73	EC-3140	0	0	0	0	0
030	Secure Comm Transition Facilities	G73	EC-3150	0	0	0	0	0
030	Secure Comm Transition Facilities	G73	EC-9110	0	0	0	0	0
030	Secure Comm Transition Facilities	G73	EC-9120	0	0	0	0	0
030	Secure Comm Transition Facilities	G73	EC-9125	0	0	0	0	0
030	Secure Comm Transition Facilities	G73	EC-9130	0	0	0	0	0
		<b>G73 Total:</b>		<b>0</b>	<b>3,179</b>	<b>0</b>	<b>1,060</b>	<b>(2,000)</b>
030	Special Commitment Center	G90	EC-3120	0	30,257	38,375	61,252	31,000
030	Special Commitment Center	G90	EC-3140	0	116,546	113,191	189,770	73,000
030	Special Commitment Center	G90	EC-3150	0	0	0	0	0
030	Special Commitment Center	G90	EC-9110	0	0	0	0	0
030	Special Commitment Center	G90	EC-9120	0	253,918	436,936	667,220	413,000
030	Special Commitment Center	G90	EC-9125	0	0	0	0	0
030	Special Commitment Center	G90	EC-9130	0	0	0	0	0
		<b>G90 Total:</b>		<b>0</b>	<b>400,721</b>	<b>588,502</b>	<b>918,243</b>	<b>518,000</b>

Program	Institution	Budget Unit	SSO	FY2004	FY2005	FY2006	FY2007	FY07 Request
030	Western State Hospital	G92	EC-3120	83,516	102,321	122,366	141,584	39,000
030	Western State Hospital	G92	EC-3140	678,637	666,487	677,985	673,718	7,000
030	Western State Hospital	G92	EC-3150	0	264	0	88	0
030	Western State Hospital	G92	EC-9110	691,736	678,714	667,795	655,474	(23,000)
030	Western State Hospital	G92	EC-9120	633,442	757,347	985,901	1,144,688	387,000
030	Western State Hospital	G92	EC-9125	0	0	0	0	0
030	Western State Hospital	G92	EC-9130	0	0	0	0	0
		<b>G92 Total:</b>		<b>2,087,331</b>	<b>2,205,132</b>	<b>2,454,046</b>	<b>2,615,552</b>	<b>410,000</b>
030	Child Study & Treatment Center	G94	EC-3120	0	5,225	5,592	9,198	4,000
030	Child Study & Treatment Center	G94	EC-3140	25,586	26,812	29,138	30,731	4,000
030	Child Study & Treatment Center	G94	EC-3150	0	0	0	0	0
030	Child Study & Treatment Center	G94	EC-9110	56,516	54,820	48,299	44,994	(10,000)
030	Child Study & Treatment Center	G94	EC-9120	43,353	52,919	75,674	89,637	37,000
030	Child Study & Treatment Center	G94	EC-9125	0	0	0	0	0
030	Child Study & Treatment Center	G94	EC-9130	0	0	0	0	0
		<b>G94 Total:</b>		<b>125,455</b>	<b>139,777</b>	<b>158,703</b>	<b>174,560</b>	<b>35,000</b>

**2007 Supplemental Request  
M2-8U Utility Rate Adjustment**

Worksheet: Program Fiscal Impact

030	Consolidated Services	G99	EC-3120	82,340	76,954	79,506	76,767	0
030	Consolidated Services	G99	EC-3140	84,070	96,050	118,744	134,295	38,000
030	Consolidated Services	G99	EC-3150	0	0	118	157	0
030	Consolidated Services	G99	EC-9110	513,497	523,475	525,823	533,258	10,000
030	Consolidated Services	G99	EC-9120	154,102	300,577	473,755	629,131	329,000
030	Consolidated Services	G99	EC-9125	0	(214)	0	(71)	0
030	Consolidated Services	G99	EC-9130	1,756	(6,397)	(9,386)	(15,818)	(9,000)
	<b>G99 Total:</b>			<b>835,764</b>	<b>990,444</b>	<b>1,188,560</b>	<b>1,357,718</b>	<b>367,000</b>
	<b>SCC Total:</b>			<b>0</b>	<b>403,900</b>	<b>588,502</b>	<b>919,302</b>	<b>516,000</b>
	<b>MHD Total:</b>			<b>3,048,550</b>	<b>3,335,352</b>	<b>3,801,309</b>	<b>4,147,830</b>	<b>812,000</b>
	<b>Program 030 Total:</b>			<b>3,048,550</b>	<b>3,739,252</b>	<b>4,389,811</b>	<b>5,067,132</b>	<b>1,328,000</b>

Program	Institution	Budget Unit	SSO	FY2004	FY2005	FY2006	FY2007	FY07 Request
040	Consolidated Services	G99	EC-3120	0	0	0	0	0
040	Consolidated Services	G99	EC-3140	145,688	159,271	156,701	164,899	6,000
040	Consolidated Services	G99	EC-3150	0	0	0	0	0
040	Consolidated Services	G99	EC-9110	367,869	328,185	336,107	312,292	(16,000)
040	Consolidated Services	G99	EC-9120	463,363	542,711	679,435	777,909	235,000
040	Consolidated Services	G99	EC-9125	0	0	0	0	0
040	Consolidated Services	G99	EC-9130	394	6,397	18,824	26,969	21,000
	<b>G99 Total:</b>			<b>977,313</b>	<b>1,036,565</b>	<b>1,191,068</b>	<b>1,282,069</b>	<b>246,000</b>
040	Fircrest School	H31	EC-3120	116,501	108,839	104,154	97,485	(11,000)
040	Fircrest School	H31	EC-3140	176,293	156,344	131,235	109,567	(47,000)
040	Fircrest School	H31	EC-3150	76,598	73,369	106,920	115,951	43,000
040	Fircrest School	H31	EC-9110	392,142	441,899	385,550	399,938	(42,000)
040	Fircrest School	H31	EC-9120	671,412	632,810	791,725	818,962	186,000
040	Fircrest School	H31	EC-9125	0	0	0	0	0
040	Fircrest School	H31	EC-9130	9,773	6,502	5,403	2,856	(4,000)
	<b>H31 Total:</b>			<b>1,442,720</b>	<b>1,419,763</b>	<b>1,524,988</b>	<b>1,544,759</b>	<b>125,000</b>
040	Rainier School	H33	EC-3120	78	81	83	86	0
040	Rainier School	H33	EC-3140	0	0	0	0	0
040	Rainier School	H33	EC-3150	52	0	575	732	1,000
040	Rainier School	H33	EC-9110	357,219	414,487	365,934	387,929	(27,000)
040	Rainier School	H33	EC-9120	596,721	664,862	698,276	754,841	90,000

**2007 Supplemental Request  
M2-8U Utility Rate Adjustment**

Worksheet: Program Fiscal Impact

040	Rainier School	H33	EC-9125	0	0	0	0	0
040	Rainier School	H33	EC-9130	0	0	0	0	0
<b>H33 Total:</b>				<b>954,069</b>	<b>1,079,430</b>	<b>1,064,868</b>	<b>1,143,588</b>	<b>64,000</b>
040	Yakima Valley Nursing Facility	H35	EC-3120	10,717	11,476	11,125	11,514	0
040	Yakima Valley Nursing Facility	H35	EC-3140	27,600	29,586	32,571	34,890	5,000
040	Yakima Valley Nursing Facility	H35	EC-3150	9,640	10,314	11,798	12,741	2,000
040	Yakima Valley Nursing Facility	H35	EC-9110	89,095	90,601	96,410	99,351	9,000
040	Yakima Valley Nursing Facility	H35	EC-9120	129,134	139,939	191,851	216,358	76,000
040	Yakima Valley Nursing Facility	H35	EC-9125	0	0	5	6	0
040	Yakima Valley Nursing Facility	H35	EC-9130	0	0	0	0	0
<b>H35 Total:</b>				<b>266,185</b>	<b>281,917</b>	<b>343,759</b>	<b>374,861</b>	<b>93,000</b>

Program	Institution	Budget Unit	SSO	FY2004	FY2005	FY2006	FY2007	FY07 Request
040	Frances Haddon Morgan	H36	EC-3120	8,521	8,949	8,463	8,586	0
040	Frances Haddon Morgan	H36	EC-3140	0	0	0	0	0
040	Frances Haddon Morgan	H36	EC-3150	24,972	26,544	26,729	27,839	1,000
040	Frances Haddon Morgan	H36	EC-9110	47,430	48,988	54,441	57,297	8,000
040	Frances Haddon Morgan	H36	EC-9120	61,116	61,915	93,427	104,464	43,000
040	Frances Haddon Morgan	H36	EC-9125	0	0	0	0	0
040	Frances Haddon Morgan	H36	EC-9130	0	0	0	0	0
<b>H36 Total:</b>				<b>142,039</b>	<b>146,396</b>	<b>183,060</b>	<b>198,185</b>	<b>52,000</b>
<b>Program 040 Total:</b>				<b>3,782,326</b>	<b>3,964,070</b>	<b>4,307,742</b>	<b>4,543,462</b>	<b>579,000</b>

**Institution Total:** 8,157,504 9,043,539 10,170,909 11,150,388 2,107,000

Department of Social and Health Services

**DP Code/Title: M2-9F Federal Funding Adjustment**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests an adjustment/redistribution to the current Federal Appropriation authority for the agency by program for State Fiscal Year 2007.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	8,933,000	8,933,000
<b>Total Cost</b>	<b>0</b>	<b>8,933,000</b>	<b>8,933,000</b>

**Staffing**

**Package Description:**

DSHS requests an adjustment/redistribution to the current Federal Authority across various programs for SFY 2007.

Across the Department there is considerable disparity between the amount of federal funding that particular programs can earn and the amount of federal funds appropriated. This request is to reduce this disparity. The result would be a significant (\$19,981,000) reduction to Economic Services Administration's federal appropriation and smaller increases to the federal appropriations in the following programs - Children's Administration, Juvenile Rehabilitation Administration, Mental Health Division, Division of Developmental Disabilities, Division of Long Term Care, Division of Alcohol and Substance Abuse, and Payments to Other Agencies.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This proposal supports the following DSHS Strategic Goal and Objective:

Strategic Goal: Reinforce Strong Management to Increase Public Trust

Strategic Objective: Improve financial planning and oversight.

***Performance Measure Detail***

***Agency Level***

***Reason for change:***

This change is requested to better align federal appropriation authority for DSHS Programs with the ability of those Programs to earn federal funds.

***Impact on clients and services:***

There will be no impact on clients or services provided by DSHS.

***Impact on other state programs:***

None

Department of Social and Health Services

**DP Code/Title: M2-9F Federal Funding Adjustment**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Relationship to capital budget:**

None

**Required changes to existing RCW, WAC, contract, or plan:**

None

**Alternatives explored by agency:**

None

**Budget impacts in future biennia:**

There is no impact in future biennia.

**Distinction between one-time and ongoing costs:**

Not Applicable.

**Effects of non-funding:**

If a program overspends its SFY 2007 Federal Appropriation, those expenditures need to be moved to General-Fund State.

**Expenditure Calculations and Assumptions:**

Please see attached AW M2-9F Federal Funding Adjustment.xls.

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
A	Salaries And Wages	0	6,449,000	6,449,000
N	Grants, Benefits & Client Services	0	2,484,000	2,484,000
Total Objects		0	8,933,000	8,933,000

**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	7,460,000	7,460,000
19UL	Title XIX Admin (50%)	0	1,473,000	1,473,000
Total for Fund 001-C		0	8,933,000	8,933,000
Total Overall Funding		0	8,933,000	8,933,000



2007 Supplemental Budget Request  
AW M2-9F Federal Funding Adjustment.xls

RPT DATE	PRGM	FUND	APPN	TYPE	TYPE TITLE	BALANCE	PRGM TITLE	APPN TITLE
<b>GENERAL FUND FEDERAL</b>								
9/19/2006	20:18	010	001	TA1	2	Federal	Children's Administration	Children & Family Svs: Gf-Federal-Fy1
9/19/2006	20:18	020	001	TX1	2	Federal	Juvenile Rehabilitation Administration	Jr Community Services: Gf-Federal-Fy1
9/19/2006	20:18	030	001	UB1	2	Federal	Mental Health Division	MH Institutional: Gf-Federal-Fy1
9/19/2006	20:18	030	001	UF1	2	Federal	Mental Health Division	MH Program Support: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UM1	2	Federal	Division of Developmental Disabilities	DD Community: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UN1	2	Federal	Division of Developmental Disabilities	DD Institutional: Gf-Federal-Fy1
9/19/2006	20:18	040	001	UP1	2	Federal	Division of Developmental Disabilities	DD-Program Support: Gf-Federal-Fy1
9/19/2006	20:18	050	001	VA1	2	Federal	Division of Long-Term Care	Aging Adult Svs: Gf-Federal-Fy1
9/19/2006	20:18	070	001	WA1	2	Federal	Division of Alcohol and Substance Abuse	Alcohol/Substance Abuse: Gf-Fed-Fy1
9/19/2006	20:18	145	001	YM1	2	Federal	Payments to Other Agencies	Payments to Other Agencies: Gf-Fed-Fy1
							(3,150,187.99)	
							(850,719.17)	
							(597,878.81)	
							(600,543.75)	
							(3,984,419.68)	
							(4,476,231.87)	
							(472,434.04)	
							(216,562.28)	
							(3,697,069.25)	
							(1,935,420.98)	
							(3,150,000)	Children's Administration
							(851,000)	Juvenile Rehabilitation Administration
							(598,000)	Mental Health Division
							(601,000)	Mental Health Division
							(3,984,000)	Division of Developmental Disabilities
							(4,476,000)	Division of Developmental Disabilities
							(472,000)	Division of Developmental Disabilities
							(217,000)	Division of Long-Term Care
							(3,697,000)	Division of Alcohol and Substance Abuse
							(1,935,000)	Payments to Other Agencies
							(19,981,000)	Subtotal
							19,981,000	Adjustment
								- Balance

DSHS Budget Office  
Dan Winkley

AW M2-9F Federal Funding Adjustment.xls  
10/12/2006 2:14 PM

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) is requesting transfers between programs that net to zero for the agency in Fiscal Year (FY) 2007.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	(2,363,000)	(2,363,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	(10,000)	(10,000)
489-1 Pension Funding Stabilization Acct-State	0	2,000	2,000
<b>Total Cost</b>	<b>0</b>	<b>(2,371,000)</b>	<b>(2,371,000)</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(0.3)</b>

**Package Description:**

DSHS is requesting internal transfers among several program budgets resulting in a net zero funding change for the department. In order to align program appropriations with planned expenditures in FY2007, adjustments are required in the following areas:

DSHS management has redistributed a reduction of 5.4 FTEs and \$298,000 in FY2007 due to the Middle Management Reduction for Mental Health Division (MHD) headquarters to other DSHS programs. This action is in response to new MHD mandates to develop more efficient and effective methods for serving persons with mental illness that have increased oversight and accountability demands on MHD headquarters staff.

DSHS management has redistributed (\$5,701,000) of the SmartBuy reduction in FY2007 from the Administrative & Supporting Services program to Children's Administration (CA), Juvenile Rehabilitation Administration (JRA), MHD, Division of Developmental Disabilities (DDD), Long Term Care (LTC), Economic Services Administration (ESA), Division of Alcohol and Substance Abuse (DASA), Medical Assistance Administration (MAA), Division of Vocation Rehabilitation (DVR), and Information Systems Services Division (ISSD) to align funding reductions across the agency.

DDD is transferring \$1,300,000 GF-S in FY2007 to ESA to support the ability of the Department in meeting the Social Security Income State Supplemental Payment (SSI/SSP) Maintenance of Effort (MOE). DDD has reached the eligible capacity of expenditures within the program. This transfer reflects the unused allotment within DDD provided in the 2005-07 Biennium, and supports the department requirement to meet an MOE level of spending each calendar year to ensure continued Medicaid funding.

DSHS management has redistributed \$68,000 of the ISSD Pension Plan 1 dollars in FY2007 from the Administrative & Supporting Services program to CA, JRA, MHD, DDD, LTC, ESA, MAA, and DVR to align funding across the agency.

Transfer of the Central Services funding of \$2,171,000 in FY2007 from the Administrative and Support Services program to Payments to Other Agencies.

Administration and Support Services is requesting an internal program transfer to reorganize the central risk management functions under the newly created Chief Risk Officer. This transfer is 2.0 FTEs and \$125,000 per year between budget units in Program 110.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

Improve the ability of state government to achieve results efficiently and effectively.

**Performance Measure Detail**

**Agency Level**

Activity: D034 Family Support Program for Developmentally Disabled Clients

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

Activity: D036 Field Services

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

Activity: D044 Infant Toddler Early Intervention Program

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

Activity: D086 Residential Habilitation Facilities

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

Activity: D095 State Operated Living Alternatives

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

*Reason for change:*

Changes to FY2007 will align budgets with planned expenditures.

*Impact on clients and services:*

None

*Impact on other state programs:*

None

*Relationship to capital budget:*

None

*Required changes to existing RCW, WAC, contract, or plan:*

None

*Alternatives explored by agency:*

None

**Department of Social and Health Services**

**DP Code/Title: M2-9T Transfers**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

***Budget impacts in future biennia:***

All costs are ongoing.

***Distinction between one-time and ongoing costs:***

No one-time costs.

***Effects of non-funding:***

DSHS will continue to spend differently than appropriated in the affected programs.

***Expenditure Calculations and Assumptions:***

See attachment 'AW M2-9T Transfers.xls'.

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
A Salaries And Wages	0	(52,000)	(52,000)
B Employee Benefits	0	(8,000)	(8,000)
E Goods And Services	0	(996,000)	(996,000)
N Grants, Benefits & Client Services	0	(1,300,000)	(1,300,000)
T Intra-Agency Reimbursements	0	(15,000)	(15,000)
<b>Total Objects</b>	<b>0</b>	<b>(2,371,000)</b>	<b>(2,371,000)</b>
 <b><u>DSHS Source Code Detail</u></b>			
<b>Overall Funding</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011 General Fund State	0	(2,363,000)	(2,363,000)
<b>Total for Fund 001-1</b>	<b>0</b>	<b>(2,363,000)</b>	<b>(2,363,000)</b>
 <b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources Title</u></b>			
19UL Title XIX Admin (50%)	0	(10,000)	(10,000)
<b>Total for Fund 001-C</b>	<b>0</b>	<b>(10,000)</b>	<b>(10,000)</b>
 <b>Fund 489-1, Pension Funding Stabilization Acct-State</b>			
<b><u>Sources Title</u></b>			
4891 Pension Funding Stabilization Acct	0	2,000	2,000
<b>Total for Fund 489-1</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>
 <b>Total Overall Funding</b>	<b>0</b>	<b>(2,371,000)</b>	<b>(2,371,000)</b>

**2007 Supplemental  
M2-9T Transfers**

**AW M2-9T Transfers**

	Program	FTEs FY07	FY2007 FUNDS			
			State	489-1	Other	Total
<b>010</b>	Middle Management Reduction from MHD	(0.6)	(19,000)		(14,000)	(33,000)
	SmartBuy		(755,000)			(755,000)
	ISSD Pension Rate Redistribution			12,000	2,000	14,000
	<b>010 Total</b>	<b>(0.6)</b>	<b>(774,000)</b>	<b>12,000</b>	<b>(12,000)</b>	<b>(774,000)</b>
<b>020</b>	Middle Management Reduction from MHD	(0.3)	(10,000)		(7,000)	(17,000)
	SmartBuy		(467,000)			(467,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	<b>020 Total</b>	<b>(0.3)</b>	<b>(477,000)</b>	<b>2,000</b>	<b>(7,000)</b>	<b>(482,000)</b>
<b>030</b>	Middle Management Reduction from MHD	5.4	176,000		122,000	298,000
	SmartBuy		(1,037,000)			(1,037,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	<b>030 Total</b>	<b>5.4</b>	<b>(861,000)</b>	<b>2,000</b>	<b>122,000</b>	<b>(737,000)</b>
<b>040</b>	Middle Management Reduction from MHD	(0.5)	(17,000)		(11,000)	(28,000)
	SSP MOE Transfer		(1,300,000)			(1,300,000)
	SmartBuy		(1,046,000)			(1,046,000)
	ISSD Pension Rate Redistribution			2,000	1,000	3,000
	<b>040 Total</b>	<b>(0.5)</b>	<b>(2,363,000)</b>	<b>2,000</b>	<b>(10,000)</b>	<b>(2,371,000)</b>
<b>050</b>	Middle Management Reduction from MHD	(0.7)	(23,000)		(16,000)	(39,000)
	SmartBuy		(379,000)			(379,000)
	ISSD Pension Rate Redistribution			2,000	2,000	4,000
	<b>050 Total</b>	<b>(0.7)</b>	<b>(402,000)</b>	<b>2,000</b>	<b>(14,000)</b>	<b>(414,000)</b>
<b>060</b>	Middle Management Reduction from MHD	(1.0)	(31,000)		(21,000)	(52,000)
	SSP MOE Transfer		1,300,000			1,300,000
	SmartBuy		(1,519,000)			(1,519,000)
	ISSD Pension Rate Redistribution			31,000	9,000	40,000
	<b>060 Total</b>	<b>(1.0)</b>	<b>(250,000)</b>	<b>31,000</b>	<b>(12,000)</b>	<b>(231,000)</b>
<b>070</b>	Middle Management Reduction from MHD	(0.2)	(6,000)		(5,000)	(11,000)
	SmartBuy		(49,000)	0		(49,000)
	<b>070 Total</b>	<b>(0.2)</b>	<b>(55,000)</b>	<b>0</b>	<b>(5,000)</b>	<b>(60,000)</b>
<b>080</b>	Middle Management Reduction from MHD	(1.0)	(36,000)		(25,000)	(61,000)
	SmartBuy		(370,000)			(370,000)
	ISSD Pension Rate Redistribution			1,000	0	1,000
	<b>080 Total</b>	<b>(1.0)</b>	<b>(406,000)</b>	<b>1,000</b>	<b>(25,000)</b>	<b>(430,000)</b>
<b>100</b>	Middle Management Reduction from MHD	(0.1)	(4,000)		(2,000)	(6,000)
	SmartBuy		(79,000)			(79,000)
	ISSD Pension Rate Redistribution			2,000	0	2,000
	<b>100 Total</b>	<b>(0.1)</b>	<b>(83,000)</b>	<b>2,000</b>	<b>(2,000)</b>	<b>(83,000)</b>
<b>110</b>	Middle Management Reduction from MHD	(1.0)	(30,000)		(21,000)	(51,000)
	Central Services Transfer		(1,498,000)		(673,000)	(2,171,000)
	SmartBuy		5,701,000			5,701,000
	ISSD Pension Rate Redistribution			(54,000)	(14,000)	(68,000)
	<b>110 Total</b>	<b>(1.0)</b>	<b>4,173,000</b>	<b>(54,000)</b>	<b>(708,000)</b>	<b>3,411,000</b>
<b>145</b>	Central Services Transfer	0.0	1,498,000		673,000	2,171,000
	<b>145 Total</b>	<b>0.0</b>	<b>1,498,000</b>	<b>0</b>	<b>673,000</b>	<b>2,171,000</b>
<b>150</b>	SmartBuy	0.0	0	0		0
	<b>150 Total</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Agency-Wide:</b>		<b>(0.0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There are multiple components to ML-9T Transfers:

Middle Management Reduction Redistribution of MHD Category 9000 (010, 020, 030, 040, 050, 060, 070, 080, 100, 110)

SSP MOE Transfer (040, 060)

SmartBuy (110 to 010; 020, 030, 040, 050, 060, 070, 080, 100, 150)

Central Services (110 to 145)

ISSD Pension Rate Plan 1 Redistribution (110 to 010, 020, 030, 040, 050, 060, 080, 100)

Department of Social and Health Services

**DP Code/Title: M2-PK Network Transition Costs**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests \$375,000 starting July 1, 2006 to cover the incremental cost increases incurred during Fiscal Year (FY) 2007 by transitioning to the Multi-Protocol Label Switching (MPLS) services network operated by the Department of Information Systems (DIS).

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	17,000	17,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	11,000	11,000
<b>Total Cost</b>	<b>0</b>	<b>28,000</b>	<b>28,000</b>

**Staffing**

**Package Description:**

This transition increases costs to DSHS by \$375,000 in FY2007.

In partnership with DIS, DSHS is gradually transitioning from the existing DIS-provided network (Data Transport Services, (DTS)) to one that is more robust and flexible MPLS.

The transition by DSHS to the MPLS services network is supportive of DIS' business plan for gradual withdrawal from the DTS network in combination with conversion to MPLS services by all state agencies. To avoid the infrastructure and transport costs of two networks, DIS would like state agencies to move from DTS to MPLS as soon as possible.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

The transition to the MPLS services network is consistent with initiatives of the Governor's Office to streamline government through the expanded and more effective use of technology. It supports the department's core business functions by enhancing the capacity and movement of essential information and is also consistent with the Washington State Digital plan.

This network transition supports the goals of the agency's balanced scorecard in that it:

- 1) Allows DSHS program areas to integrate and coordinate new and old information systems.
- 2) Assists DSHS program areas in providing excellent customer service by efficiently providing an effective communications infrastructure.
- 3) Provides high quality services that are easy to access by DSHS employees and service delivery partners who work directly with clients and allows program areas to expand the availability of agency resources.
- 4) Provides a network infrastructure that supports a very diverse set of requirements.

State and federal regulations such as the Health Insurance Portability and Accountability Act (HIPAA) require isolation and protection of confidential and sensitive client information. Transitioning to a MPLS services network provides this isolation by changing the network connections of our remote field offices so that they are logically behind the DSHS firewall even though they are physically connected to the DIS-provided state network and across public telecom providers. All of our network traffic will travel within a virtual (VRF) tunnel that is unique to DSHS and segmented from all other state agencies and other entities.

Department of Social and Health Services

**DP Code/Title: M2-PK Network Transition Costs**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

*Performance Measure Detail*

**Agency Level**

**Activity: D079 Program Support for Developmental Disabilities**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

*Reason for change:*

The old DTS network is neither as effective nor efficient in meeting the network requirements as the potential of the new MPLS network. As DIS migrates state agencies, connections on the old DTS network will become more difficult to establish and less responsive and reliable. DTS connections will not be upgraded, and gradually degrading performance will only sporadically be monitored or resolved. Since our network supports the department's key business functions, its performance and reliability are very important. For example, Governor Gregoire has directed the Secretary to make certain that caseworkers respond to reports of child abuse and neglect within twenty-four hours. Network reliability and transmission swiftness are important tools assisting caseworkers in the Children's Administration to meet this important edict.

Without a reliable network, other activities such as determining a client's eligibility for financial or medical assistance, collecting child support, and making correct and timely payments to our contracted providers could be delayed or not successfully completed as required by law, resulting in possible litigation and/or loss of funding.

*Impact on clients and services:*

Transitioning our Wide Area Network (WAN) to the MPLS services network allows program areas within DSHS to effectively provide service delivery to clients without being markedly impaired by limited network capacity or reliability. Without the transition, clients will experience an increasing frequency of times in which their assigned caseworker is unable to access the client's record, find the information that is needed, or to make the service changes that are needed - all because the communication network used by the Information Technology application is unavailable or unreliable due to network congestion.

A DSHS Vancouver office illustrates one example of improved network response provided by the MPLS migration. We tracked network response times from October 10, 2005 to October 14, 2005 (before the office's conversion) and from December 5, 2005 to December 9, 2005 (after the conversion). The office recognized an average 71% improvement in network response times after the conversion. Some offices may experience greater improvement in network performance while some sites may notice little or no response time difference; however, the transition will benefit all DSHS offices by providing more reliable technology.

*Impact on other state programs:*

The transition assists all program areas within DSHS to implement business initiatives using a stable, shared network, which is the most cost effective method to deliver these diverse client services. It allows us to support the network with current staffing and does not require additional staffing in the program areas.

*Relationship to capital budget:*

None

*Required changes to existing RCW, WAC, contract, or plan:*

None

*Alternatives explored by agency:*

Department of Social and Health Services

**DP Code/Title: M2-PK Network Transition Costs**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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The two available options are to:

- 1) Delay or transition more slowly.
- 2) Implement a gradual transition now.

If we were to continue with the current network infrastructure, we would gradually be unable to meet the agency's business requirements. As DIS migrates state agencies, connections on the DTS network will become more difficult to establish, more heavily congested and less responsive to user needs.

By transitioning now, our current network platform is combined with the newer MPLS technology provided through DIS. This permits us to leverage our investments in network hubs, Asynchronous Transfer Mode, and Ethernet services producing a more cost effective, expandable resource for all program areas across the state. This option allows us to scale the network to fit current demands and allows for cost effective growth as required.

***Budget impacts in future biennia:***

Ninety-nine percent of our almost 18,000 employees have intranet access and rely on the network to perform at least some aspect of their duties. As our reliance on technology grows, bandwidth requirements continue to increase. The Department of Personnel's Human Resource Management System (HRMS), the Office of Financial Management's Enterprise Reporting System (Fastrack), and Travel Voucher System (TVS) are some of the recent applications that have increased demands on our network. In addition, we have increased network requirements by using it to deploy security patches to the field, back up vital data at remote sites and share imaged client records across the state. By choosing to implement the network transition now, we are able to satisfactorily meet current business needs of the agency while migrating to newer technologies in the most cost effective manner.

This request is for the increased monthly circuit costs and installation charges DSHS will recognize during Fiscal Year 2007 for transitioning to MPLS circuits and other high-speed network transport connections such as Ethernet.

***Distinction between one-time and ongoing costs:***

In addition to the increased monthly costs, we estimate we will incur \$33,000 for one time installation charges in Fiscal Year 2007.

***Effects of non-funding:***

Not funding this decision package will affect all program areas, business partners and their clients within DSHS and the state of Washington.

As DTS network performance continues to degrade, our technical staff are required to dedicate more time to perform ineffectual trouble shooting and analysis. Slow response times and application timeouts are becoming increasingly common due to the overload of the DTS network, resulting in poorly performing Information Technology applications. Eventually, DTS network performance will seriously degrade to the point of potentially becoming unusable by program staff during peak periods of the workday. As a result, the delivery of vital client services, such as the safety of vulnerable children and adults will be hindered or delayed.

Due to its current instability, limited capacity and the fact that DIS will eventually dismantle the DTS network; DSHS is forced to move ahead with the transition to the MPLS network. As of June 2006, 57 DSHS sites have already transitioned to the new network and 160 sites remain to be converted. As of the August 2006 DIS invoice, DSHS has been billed for the converted circuit rates and one-time installation fees on 30% of our sites. By the end of Fiscal Year 2007, DSHS will be 100% converted.

During Fiscal Year 2007, we anticipate increased DIS charges of approximately \$375,000 for converted circuits and



State of Washington  
**Decision Package**  
**Department of Social and Health Services**

**FINAL**

**DP Code/Title: M2-PK Network Transition Costs**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07    Version: D3 040 2005-07 Agency Request 2007 Sup

one-time installation fees. Please see the attached cost analysis (M2-PK Network Transition Costs.xls) for further details and source documentation.

***Expenditure Calculations and Assumptions:***

Please see attachment AW M2-PK Network Transition Costs.xls.

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>				
E	Goods And Services	0	28,000	28,000
 <b><u>DSHS Source Code Detail</u></b>				
<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Fund 001-1, General Fund - Basic Account-State				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	17,000	17,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>17,000</u>	<u>17,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19UL	Title XIX Admin (50%)	0	11,000	11,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>11,000</u>	<u>11,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>28,000</u>	<u>28,000</u>

**2007 Supplemental Request  
M2-PK Network Transition Costs**

Worksheet: Summary

**Object 'E'**

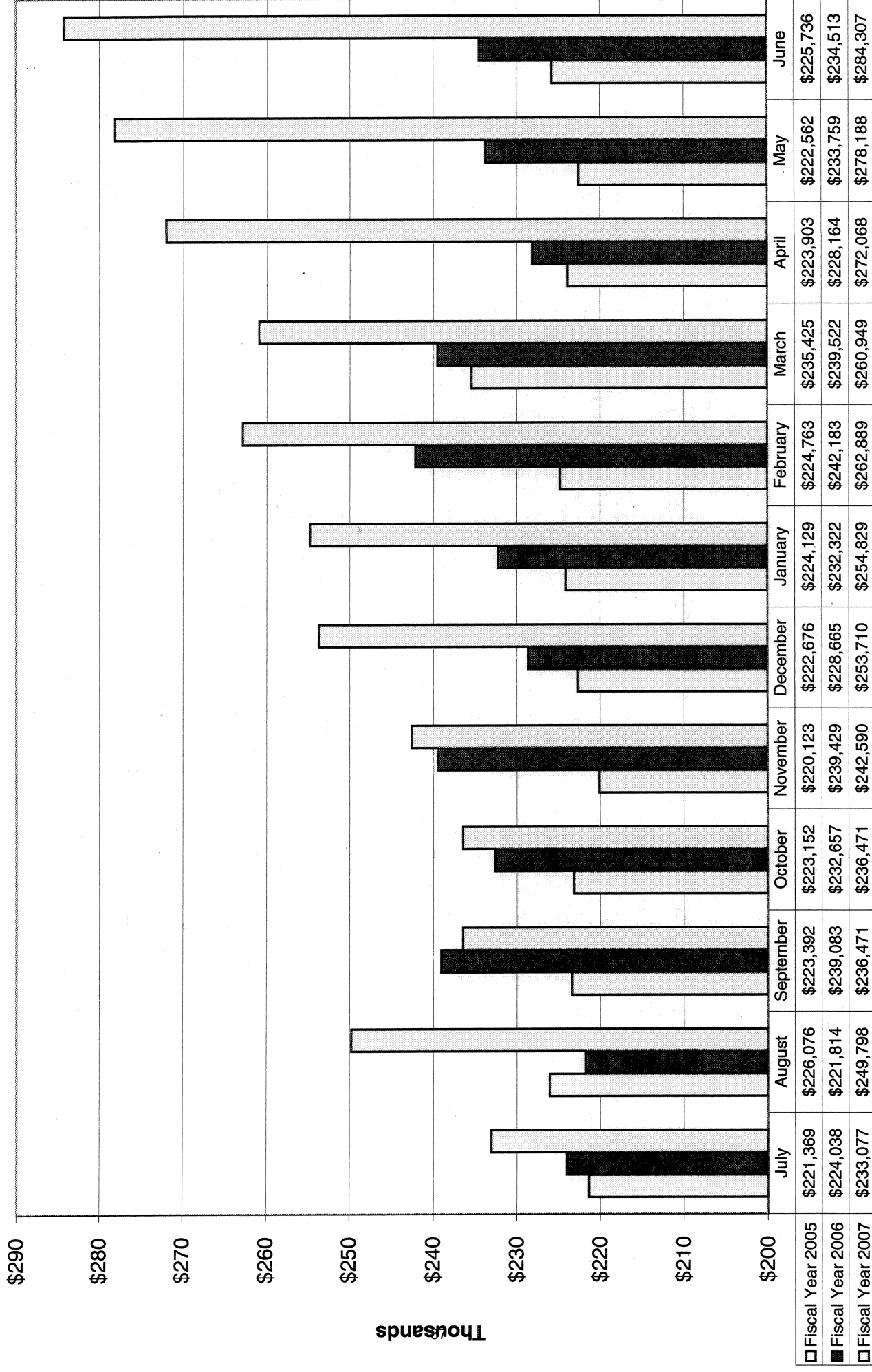
Program	Year				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		58,000	58,000			0	0		0	58,000	58,000
020		27,000	27,000			0	0		0	27,000	27,000
030		19,000	19,000			0	0		0	19,000	19,000
040		28,000	28,000			0	0		0	28,000	28,000
050		55,000	55,000			0	0		0	55,000	55,000
060		138,000	138,000			0	0		0	138,000	138,000
070		1,000	1,000			0	0		0	1,000	1,000
080		0	0			0	0		0	0	0
100		36,000	36,000			0	0		0	36,000	36,000
110		13,000	13,000			0	0		0	13,000	13,000
150		0	0			0	0		0	0	0
Total	0	375,000	375,000		0	0	0		0	375,000	375,000

**State/Other Split**

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		40,000	40,000			18,000	18,000			58,000	58,000
020		27,000	27,000			0	0			27,000	27,000
030		15,000	15,000			4,000	4,000			19,000	19,000
040		17,000	17,000			11,000	11,000			28,000	28,000
050		28,000	28,000			27,000	27,000			55,000	55,000
060		82,000	82,000			56,000	56,000			138,000	138,000
070		1,000	1,000			0	0			1,000	1,000
080		0	0			0	0			0	0
100		36,000	36,000			0	0			36,000	36,000
110		9,000	9,000			4,000	4,000			13,000	13,000
150		0	0			0	0			0	0
Total	0	255,000	255,000		0	120,000	120,000		0	375,000	375,000

**2007 Supplemental Request  
M2-PK Network Transition Costs  
Wide Area Network (WAN) Connectivity Cost Comparison**

**DSHS**



**Source: Department of Information Services monthly billing for WAN connectivity - September 2006 through June 2007, estimates**

2007 Supplemental Request  
M2-PK Network Transition Costs

DSHS  
WAN Connectivity Charges  
Monthly Billing from DIS

Worksheet: FY2007

Svc Orig #	DIS Service Offering	July	August	September *	October *	November *	December *	January *	February *	March *	April *	May *	June *	FY2007 * YTD Invoice
0703	ATS Transport (Fractional)	70,874.00	81,077.02	76,238.58	76,238.58	79,855.31	83,472.03	87,088.76	88,897.12	90,705.49	94,322.21	97,938.94	101,555.67	1,028,263.71
0704	ATS DIS Installation	0.00	7,750.00	0.00	0.00	0.00	5,000.00	0.00	5,000.00	0.00	5,000.00	5,000.00	5,000.00	32,750.00
0777	Dedicated T2/Point to Point C	1,719.12	1,719.12	1,719.12	1,719.12	1,893.86	2,068.60	2,243.34	2,330.71	2,418.08	2,592.82	2,767.56	2,942.30	26,133.75
0784	ATS Serial Router Port	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	700.00	8,400.00
0788	Sonet Transport Sr	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	355.00	4,260.00
0792	State Client Internet Access	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
0798	ATS Network Management 56K-128K	14,507.50	14,997.51	14,490.74	14,490.74	14,840.99	15,191.23	15,541.48	15,716.60	15,891.73	16,241.97	16,592.22	16,942.47	185,445.18
0800	Time & Material Repair/Labor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0802	Monthly Equipment Service	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	1,692.00
0807	ATS USW Frame Relay Circuit	94,460.76	92,738.41	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	92,506.66	1,112,265.77
0822	Monthly Maintenance	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	362.56
0832	IP Routed NWK	29,052.00	29,052.00	29,052.00	29,052.00	29,621.33	30,190.67	30,760.00	31,044.67	31,329.33	31,898.67	32,468.00	33,037.33	366,558.00
0841	CFN Transport Sr	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
0844	INS Network Management 56K-12	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
0943	IGN Access	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	86,940.00
1121	INS Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1123	IGN Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1138	CFN Network Management 10M	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
1210	DIS MONTHLY MAINTENANCE (SPAR	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
1352	DMZ Firewall Port Charge	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	1,596.00
1356	Ethernet Service 10M	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
1357	Fast Ethernet Service 100M	4,629.25	4,629.25	4,629.25	4,629.25	5,239.00	5,848.75	6,458.50	6,763.38	7,068.25	7,678.00	8,287.75	8,897.50	74,758.13
1360	Catalyst 1G Port	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
1373	Advanced Ethernet Service (AE	2,396.00	2,396.00	2,396.00	2,396.00	3,194.67	3,993.33	4,792.00	5,191.33	5,590.67	6,389.33	7,188.00	7,986.67	53,910.00
	Total	233,077.01	249,797.69	236,470.73	236,470.73	242,590.19	253,709.66	254,829.12	262,888.85	260,948.58	272,068.05	278,187.51	284,306.97	3,085,345.10
	Monthly cost variance from monthly average	8,851.33	25,572.01	12,245.05	12,245.05	18,364.51	29,483.98	30,803.44	38,663.17	36,722.90	47,842.37	53,961.83	60,081.29	374,636.94
	* September 2006 through June 2007 estimates								Monthly Average: July 2004 - August 2005->					224,225.68
									Monthly Average: September 2005 - Current ->					246,165.52
										Average Monthly Cost Increase ->				21,939.84

Svc Ofg #	DIS Service Offering	July	August	September	October	November	December	January	February	March	April	May	June	FY2006 YTD Invoice
0703	ATS Transport (Fractional)	65,909.63	65,388.40	69,886.19	69,367.94	71,108.94	69,666.44	70,719.82	71,958.60	71,008.83	69,821.50	65,915.80	71,599.00	832,351.09
0704	ATS DIS Installation	1,000.00	0.00	2,300.00	700.00	200.00	400.00	1,250.00	200.00	950.00	250.00	700.00	250.00	8,200.00
0777	Dedicated Tz/Point to Point C	1,194.90	1,194.90	1,194.90	1,311.75	1,194.90	1,194.90	1,194.90	1,194.90	1,183.78	860.99	5,723.65	2,250.75	19,695.22
0784	ATS Serial Router Port	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	795.00	700.00	700.00	700.00	9,695.00
0788	Sonet Transport Sr	435.00	435.00	435.00	435.00	435.00	435.00	435.00	435.00	405.67	355.00	355.00	355.00	4,950.67
0792	State Client Internet Access	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
0798	ATS Network Management 56K-128K	13,838.33	13,440.00	16,910.83	14,542.50	14,543.33	14,542.50	14,812.50	14,737.50	12,745.83	14,580.00	15,065.00	14,872.50	174,630.82
0800	Time & Material Repair/Labor													
0802	Monthly Equipment Service	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	1,163.88	0.00	1,163.88
0807	ATS USW Frame Relay Circuit	97,410.97	93,978.11	101,870.65	98,041.62	97,139.06	94,592.98	96,104.34	104,855.68	82,051.89	91,376.35	95,262.57	94,656.70	1,147,340.92
0822	Monthly Maintenance	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	29.38	352.56
0832	IP Routed NWK	28,216.00	27,344.00	28,452.00	27,540.00	27,992.00	27,404.00	27,376.00	28,372.00	28,008.00	28,812.00	27,464.00	28,420.00	335,400.00
0841	CFN Transport Sr	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
0844	INS Network Management 56K-12	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
0943	IGN Access	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	86,940.00
1121	INS Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1123	IGN Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1138	CFN Network Management 10M	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
1210	DIS MONTHLY MAINTENANCE (SPAR	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	240.00
1352	DMZ Firewall Port Charge	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	1,596.00
1356	Ethernet Service 10M	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
1357	Fast Ethernet Service 100M	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,593.46	4,629.25	4,629.25	4,629.25	61,881.21
1360	Catalyst 1G Port	2,000.00	6,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
1373	Advanced Ethernet Service (AE				2,684.63	8,782.30	2,396.00	2,396.00	2,396.00	2,396.00	2,396.00	2,396.00	2,396.00	28,238.93
	Total	224,038.21	221,813.79	239,082.95	232,656.82	239,428.91	228,665.20	232,321.94	242,183.06	239,521.84	228,164.47	233,758.53	234,512.58	2,796,148.30
	Monthly cost variance from monthly average			14,857.27	8,431.14	15,203.23	4,439.52	8,096.26	17,957.38	15,296.16	3,938.79	9,532.85	10,286.90	108,039.50
									Monthly Average: July 2004 - August 2005-->					224,225.68
									Monthly Average: September 2005 - June 2006 -->					235,029.63
												Average Monthly Cost Increase -->		10,803.95

Svc Otg #	DIS Service Offering	July	August	September	October	November	December	January	February	March	April	May	June	FY2005 YTD Invoice
0703	ATS Transport (Fractional)	65,745.00	67,245.00	67,080.00	67,080.00	66,085.00	65,962.66	66,497.66	66,358.97	72,406.78	66,300.00	67,230.10	67,821.66	805,772.83
0704	ATS DIS Installation		800.00						200.00	1,600.00	200.00	400.00	400.00	3,600.00
0777	Dedicated Tz/Point to Point C	437.00	437.00	437.00	437.00	1,366.93	666.26	2,055.00	435.78	1,194.90	1,194.90	1,194.90	1,194.90	11,051.57
0784	ATS Serial Router Port	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00	10,200.00
0788	Sonet Transport Sr	180.00	180.00	180.00	180.00	180.00	180.00	435.00	435.00	435.00	435.00	435.00	435.00	3,690.00
0792	State Client Internet Access	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	7,500.00
0798	ATS Network Management 56K-128K	14,000.00	14,075.00	13,968.33	14,000.00	13,575.00	13,682.39	13,677.39	13,718.79	15,038.70	14,225.97	13,938.39	14,055.00	167,954.96
0800	Time & Material SR												746.55	746.55
0802	Monthly Equipment Service	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	141.00	1,692.00
0807	ATS USW Frame Relay Circuit	99,172.00	99,479.98	97,519.73	97,760.40	94,509.40	98,797.72	98,125.31	97,347.40	100,271.05	95,557.40	94,798.60	96,925.48	1,170,264.47
0822	Monthly Maintenance	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00	29.38	29.38	29.38	331.14
0832	IP Routed NWK	30,004.00	29,228.00	29,596.00	29,084.00	29,776.00	28,756.00	28,708.00	28,836.00	28,448.00	29,956.00	28,532.00	28,124.00	349,048.00
0841	CFN Transport Sr	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	2,880.00
0844	INS Network Management 56K-12	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
0943	IGN Access	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	7,245.00	86,940.00
1121	INS Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1138	IGN Ethernet Router Port	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
1210	CFN Network Management 10M	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00
1352	DMZ Firewall Port Charge	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	133.00	1,596.00
1356	Ethernet Service 10M													
1357	Fast Ethernet Service 100M		2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	30,800.00
1360	Catalyst 1G Port	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
1373	Advanced Ethernet Service (AE)													0.00
	Total	221,369.00	226,075.98	223,392.06	223,152.40	220,123.33	222,676.03	224,129.36	224,762.94	235,425.43	223,902.65	222,562.37	225,735.97	2,693,307.52
													FY05 Monthly Average ->	224,442.29

Department of Social and Health Services

**DP Code/Title: M2-UV Utilization of Residential Services**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

Funds from this decision package would be used to address greater utilization of Division of Developmental Disabilities (DDD) residential services - specifically in Adult Supported Living, Child Supported Living, Group Homes, Community Protection, and Intermediate Care for the Mentally Retarded. This item requests a fiscal year total of \$16,635,000 (\$7,731,000 GF-State).

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	7,731,000	7,731,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	8,904,000	8,904,000
<b>Total Cost</b>	<b>0</b>	<b>16,635,000</b>	<b>16,635,000</b>

**Staffing**

**Package Description:**

Funds from this decision package would be used to address greater utilization of DDD residential services - specifically in Adult Supported Living, Child Supported Living, Group Homes, Community Protection, and Intermediate Care for the Mentally Retarded. Per capita cost growth has occurred because (1) waiver clients have demonstrated a need for increased service hours during their mandatory annual reviews, and (2) over time the residential services case mix has shifted from lower cost to higher cost services. DDD management is implementing a spending plan as approved by the Governor to achieve some savings in FY07, in a manner that is least disruptive to current clients and providers. Funding from this decision package would cover the growth in per capita expenditures. This item requests a fiscal year total of \$16,635,000 (\$7,731,000 GF-State).

From July 2001 through January 2002, the Center for Medicare Medicaid Services (CMS) conducted an extensive review of the DDD Community Alternatives Program (CAP) waiver. The final CMS report required a change to the DDD assessment process. On average, clients have seen their residential service hours rise after completing the new assessment. Also, over time the residential services case-mix has shifted from lower cost to higher cost services. A rise in service hours and a shifting case-mix may be attributed to an aging DDD client population, a better tool for assessing client need for out-of-home residential services, or a combination of both reasons.

The final CMS report also stressed that DDD had an obligation to fully meet the needs of waiver clients. Denial of demonstrated service need was listed as a potential reason for canceling Federal Funding Participation (FFP). Prior to the CMS review, in an effort to spend within its GF-State appropriation, DDD had at times cited a lack of funding as rationale for denying increased levels of service.

Per capita expenditures for residential services have consistently risen since the release of the final CMS report. DDD has begun implementing a spending plan to reduce residential services expenditures. The initiatives outlined within the spending plan have been designed to offer the least disturbance to current residential services clients and providers. However, if this decision package is not funded, then more drastic cost containment measures will be necessary.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package relates to the Aging and Disability Services Administration (ADSA) Strategic Plan to Improve Client

Department of Social and Health Services

**DP Code/Title: M2-UV Utilization of Residential Services**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

Health and Safety with the goal that "appropriate quality services are available in the least restrictive most cost-effective setting appropriate to clients' needs." An objective of this goal is to "develop and implement service delivery options that provide individuals with maximum choice, address individual's health and safety needs, and allow the state to provide service as efficiently and cost effectively as possible."

**Performance Measure Detail**

**Agency Level**

**Activity: D087 Residential Program**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

**Reason for change:**

The implementation in April 2004 of the four DDD Home and Community Based Services (HCBS) waivers, which required a mandatory annual assessment for all waiver clients, has steepened the rate of residential services per capita cost growth. There is no longer enough General Fund State (GF-S) available in other community service budget units to cover residential services over-expenditures. Denial of assessed service need is not an option. Therefore, the solution is to either dramatically change community residential services; seek funding to cover per capita increases; or attempt a combination of both strategies. DDD management has developed a spending plan as approved by the Governor. This decision package requests funding to cover the growth in residential services per capita expenditures that will occur even with the implementation of the spending plan.

**Impact on clients and services:**

Funding this decision package will ensure that:

- (1) Residential services clients will be able to stay in the community;
- (2) Residential services clients will continue to receive services at their level of demonstrated need;
- (3) Residential services providers will see little change in their method of conducting business with DDD clients;
- (4) DDD will not need to shift carry forward level funding from other community service budget units; and
- (5) State Only residential services will continue to be offered to nearly 350 clients.

**Impact on other state programs:**

None

**Relationship to capital budget:**

If this package is not funded, then it may be necessary to place current community residential clients into Residential Habilitation Centers (RHCs). Increasing the census could potentially affect the capital budget of the RHCs.

**Required changes to existing RCW, WAC, contract, or plan:**

None

**Alternatives explored by agency:**

DDD management has considered a list of cost containment initiatives. Several of the least intrusive options were selected for implementation. These options - including the movement of State Only clients into waivers; providing State Supplemental Payment (SSP) funds to current State Only clients; requiring client participation from supported living clients; and increasing the number of clients living within two-person households - would have partially covered the growth in residential services per capita expenditures. Other options - such as the reduction (or elimination) of State Only residential services - would more dramatically affect current clients and providers. Options like a reduction of State Only residential services carry substantial long-term financial risk, but will need to be reconsidered if this decision package is not funded.



Department of Social and Health Services

**DP Code/Title: M2-UV Utilization of Residential Services**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

***Budget impacts in future biennia:***

The costs carry forward into the 2007-09 biennium. A decision package has been submitted for the biennial request.

***Distinction between one-time and ongoing costs:***

All costs associated with decision package are ongoing.

***Effects of non-funding:***

Annual assessments must be completed for all waiver clients, and DDD cannot deny assessed increases to service need. Considering these two requirements, as well as the age and functionality of the DDD client population, it is a near certainty that residential services per capita expenditures will continue to rise. DDD management has committed to reducing residential services expenditures through several initiatives that are least likely to dramatically impact clients and providers. If this decision package is not funded, then more drastic changes to community residential services will be necessary.

***Expenditure Calculations and Assumptions:***

See attachment - DDD ML-UV H51 Community Residential (1) for per capita and expenditure detail.  
See attachment - DDD ML-UV H51 Community Residential (2) for caseload distribution.  
See attachment - DDD ML-UV H51 Community Residential (3) for growth in service hours.  
See attachment - DDD ML-UV H51 Community Residential (4) for the shift from lower-cost to higher-cost services.

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>				
N	Grants, Benefits & Client Services	0	16,635,000	16,635,000
 <b><u>DSHS Source Code Detail</u></b>				
<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Fund 001-1, General Fund - Basic Account-State				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	7,731,000	7,731,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>7,731,000</u>	<u>7,731,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19TA	Title XIX Assistance (FMAP)	0	8,904,000	8,904,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>8,904,000</u>	<u>8,904,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>16,635,000</u>	<u>16,635,000</u>

# 2007 Supplemental Budget M2-UV Utilization of Residential Services

2007 Supplemental: Change Analysis

	FY07			
	Expenditures		Caseload	Per Cap
	Total	State		
<b>Total Residential</b>				
Carry Forward Level	\$ 256,789,000	\$ 132,652,000		
June 06	\$ 273,824,000	\$ 141,828,000	4,554	\$ 5,011.23
Difference	\$ 17,035,000	\$ 9,176,000		
Spending Plan	\$ (400,000)	\$ (1,445,000)		
Funding Request	\$ 16,635,000	\$ 7,731,000		
<b>Group Homes</b>				
June 06	\$ 17,627,622	\$ 8,797,946	364	\$ 4,041.18
<b>Companion Homes</b>				
June 06	\$ 1,775,023	\$ 885,914	38	\$ 3,903.19
<b>Alt Living</b>				
June 06	\$ 1,219,417	\$ 608,611	203	\$ 499.35
<b>Adult Sup Living</b>				
June 06	\$ 187,492,570	\$ 93,577,542	2,770	\$ 5,640.82
<b>Child Sup Living</b>				
June 06	\$ 9,801,002	\$ 4,891,680	196	\$ 4,177.75
<b>IMR</b>				
June 06	\$ 4,487,001	\$ 2,239,462	58	\$ 6,502.90
<b>Comm Protection</b>				
June 06	\$ 40,590,776	\$ 20,258,856	404	\$ 8,379.19
<b>State Only</b>				
June 06	\$ 8,411,890	\$ 8,411,890	361	\$ 1,939.76
<b>SSP</b>				
June 06	\$ 1,903,371	\$ 1,903,371	161	\$ 987.23
<b>Other Expenses</b>				
June 06	\$ 514,914	\$ 252,874		

\*\*Updated...10/9/06...James Kettel.

# 2007 Supplemental M2-UV Utilization of Residential Services

## Distribution of Residential Services Clients

	CORE Waiver						CP Waiver		State Only				SSP		IMR
	SL	GH	Child FC	Child Staffed	AL	CH	SL		SL	GH	AL	CH	AP	IP	
Jul-04	2,672	357	170	63	254	24	377		246	17	153	1	156	22	57
Aug-04	2,676	357	168	65	252	26	374		226	18	144	1	154	22	57
Sep-04	2,666	359	165	65	258	27	371		222	20	145	1	154	21	57
Oct-04	2,663	358	162	64	255	30	372		221	19	142	1	152	22	57
Nov-04	2,666	358	161	60	250	34	374		221	18	140	2	159	27	57
Dec-04	2,672	357	160	60	246	33	371		226	19	138	2	157	25	57
Jan-05	2,706	358	157	62	246	34	370		222	19	142	2	156	24	57
Feb-05	2,703	359	154	64	242	32	373		216	18	144	2	156	24	57
Mar-05	2,712	366	154	60	241	32	379		219	16	146	2	155	25	57
Apr-05	2,710	364	151	61	236	32	384		219	21	148	2	151	25	57
May-05	2,711	365	150	63	231	30	385		219	19	147	2	149	25	57
Jun-05	2,721	365	146	66	234	30	384		223	18	145	2	148	25	57
Jul-05	2,720	370	140	69	238	31	381		224	19	142	2	147	23	58
Aug-05	2,718	368	139	72	231	31	381		227	19	134	2	144	23	58
Sep-05	2,720	367	136	70	233	32	383		230	19	136	2	139	23	58
Oct-05	2,736	362	133	70	232	33	387		226	17	135	3	135	23	58
Nov-05	2,726	360	133	70	228	34	388		220	18	132	2	136	23	58
Dec-05	2,728	359	132	71	226	35	389		228	18	126	3	137	23	58
Jan-06	2,728	357	131	72	217	35	393		223	20	126	3	136	22	57
Feb-06	2,732	357	131	73	221	35	392		218	17	124	3	140	22	57
Mar-06	2,733	353	129	74	220	35	392		215	16	123	3	140	22	57
Apr-06	2,732	352	124	74	216	34	392		215	15	124	3	157	21	56

## Variance Analysis (July 04 to April 06)

	CORE Waiver						CP Waiver		State Only			SSP		IMR
	SL	GH	Child FC	Child Staffed	AL	CH	SL	SL	GH	AL	CH	AP	IP	
Net Gain (Loss)	60	(5)	(46)	11	(38)	10	15	(31)	(2)	(29)	2	1	(1)	(1)

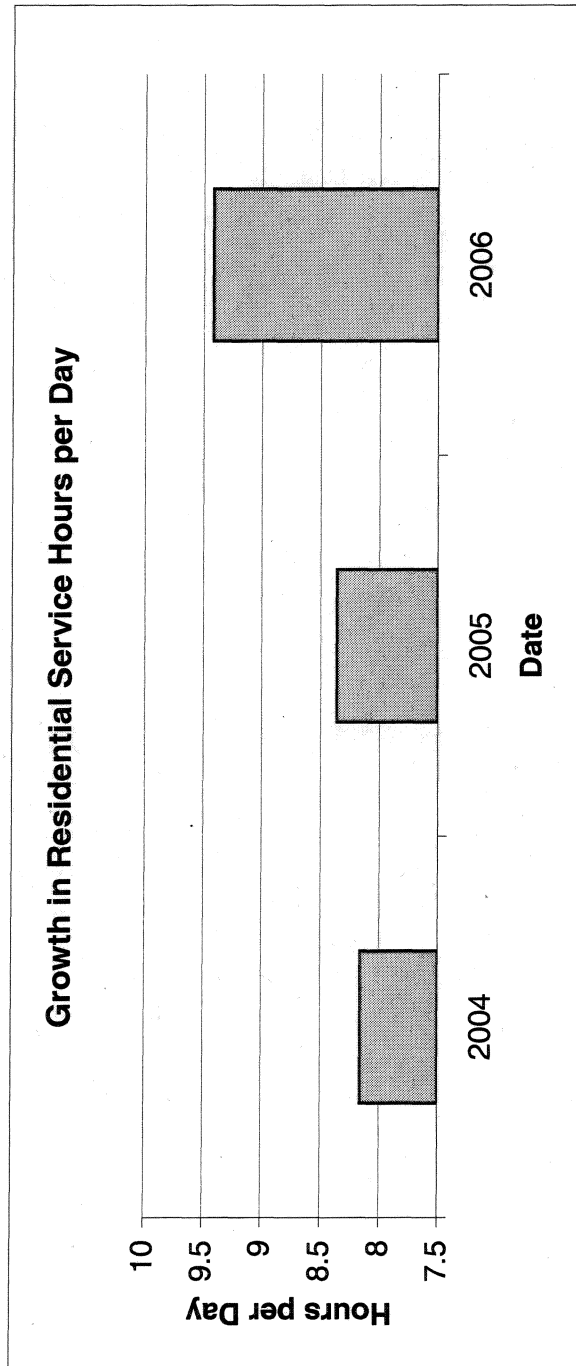
## Acronyms

SL	Supported Living
GH	Group Home
Child FC	Child Foster Care
Child Staffed	Child Staffed Residential
AL	Alternative Living
CH	Companion Homes
CP	Community Protection
SSP	State Supplemental Payments
AP	Agency Provider
IP	Individual Provider
IMR	Intermediate Care for the Mentally Retarded

## 2007 Supplemental M2-UV Utilization of Residential Services

Date	*ISS Hours Per Client Day	% Annual Increase	% Increase (from 2004 to 2006)
6/30/2004	8.16		
6/30/2005	8.36	2.5%	
6/30/2006	9.42	12.7%	15.4%

\*ISS = Instruction & Support Services



## 2007 Supplemental M2-UV Utilization of Residential Services

Shift in Monthly Caseload and Expenditures (July 2004 vs. April 2006)

	July 2004			April 2006		
	Clients	Per Cap	Expenditures	Clients	Per Cap	Expenditures
SL	2,672	\$ 4,736	\$ 12,655,078	2,732	\$ 5,008	\$ 13,681,250
GH	357	\$ 3,553	\$ 1,268,430	352	\$ 3,697	\$ 1,301,374
Child FC	170	\$ 1,930	\$ 328,063	124	\$ 2,396	\$ 297,091
Child Staffed	63	\$ 8,367	\$ 527,116	74	\$ 7,267	\$ 537,786
AL	254	\$ 468	\$ 118,947	216	\$ 481	\$ 103,880
CH	24	\$ 4,241	\$ 101,772	34	\$ 3,852	\$ 130,966
CP	377	\$ 7,642	\$ 2,881,144	392	\$ 7,773	\$ 3,047,186
SL	246	\$ 2,034	\$ 500,439	215	\$ 2,231	\$ 479,577
GH	17	\$ 4,710	\$ 80,071	15	\$ 3,627	\$ 54,403
AL	153	\$ 262	\$ 40,129	124	\$ 297	\$ 36,812
CH	1	\$ 242	\$ 242	3	\$ 4,955	\$ 14,866
AP	156	\$ 747	\$ 116,497	157	\$ 935	\$ 146,851
IP	22	\$ 969	\$ 21,311	21	\$ 1,140	\$ 23,943
IMR	57	\$ 6,045	\$ 344,540	56	\$ 6,217	\$ 348,178
<b>TOTAL</b>	<b>4,569</b>		<b>\$ 18,983,779</b>	<b>4,515</b>		<b>\$ 20,204,163</b>

Net Loss of 54 clients

Net Gain of \$1,220,384

### Acronyms

SL	Supported Living
GH	Group Home
Child FC	Child Foster Care
Child Staffed	Child Staffed Residential
AL	Alternative Living
CH	Companion Homes
CORE	CORE Waiver
CP	Community Protection
SSP	State Supplemental Payments
AP	Agency Provider
IP	Individual Provider
IMR	Intermediate Care for the Mentally Retarded

Department of Social and Health Services

**DP Code/Title: M2-UW Public Safety**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This item requests \$1,009,000 (\$532,000 GF-State) for Fiscal Year 2007. Funds from this request will be used to (1) purchase residential services, employment and day programs, specialized therapies, and intensive case management for 16 people with a developmental disability who are being released from a state psychiatric hospitals, and (2) increase the average daily rate for individuals within the 2005-2007 proviso from \$325 to \$358 per day

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	532,000	532,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	477,000	477,000
<b>Total Cost</b>	<b>0</b>	<b>1,009,000</b>	<b>1,009,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>0.5</b>	<b>0.3</b>

**Package Description:**

This item requests \$1,009,000 (\$532,000 GF-State) for Fiscal Year 2007. Funds from this request will be used to:

1. purchase residential services, employment and day programs, specialized therapies, and intensive case management for 16 people with a developmental disability who are being released from state psychiatric hospitals, and
2. increase the average daily rate for individuals within the 2005-2007 proviso from \$325 to \$358 per day consistent with actual costs.

These individuals have issues that are of serious concern to the public and many will enter the Community Protection program.

Since January 1999, the Washington Protection & Advocacy System (WPAS) has filed two class action lawsuits against the state - Allen vs. the Department of Social and Health Services (DSHS) and Marr vs. DSHS, et al. Both lawsuits alleged abuse and neglect of individuals with developmental disabilities at state psychiatric facilities, and failure to provide community support opportunities as an alternative to state psychiatric institutionalization.

The Community Protection program serves people with developmental disabilities who have a history of sexual offenses and violent crimes. This proposal would provide case management, residential services, therapy, and day programs for individuals with developmental disabilities who pose a significant public safety risk and are in need of services. These individuals live in their own homes with 24-hour supervision and do not go into the community without supervision.

Based on history from the 2003-05 and 2005-07 biennium, the current Department of Corrections (DOC) list and the current list of people at state hospitals that will need placement, funding is requested to support 16 individuals who pose a threat to the community who will request and meet criteria to be placed on the Community Protection Waiver.

Residential services are provided by contracted providers who have been certified to provide community protection services. Therapy for sex offenders is provided by a licensed Sex Offender Treatment Professional (SOTP), and employment and day services are provided by vendors contracted through the counties.

In order to meet the needs of this client group, funding is requested to support 16 individuals for placement in Fiscal Year 2007 at an average daily rate of \$358 per person and to increase the rate of individuals currently within the 2005-2007 proviso

Department of Social and Health Services

**DP Code/Title: M2-UW Public Safety**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

from \$325 to \$358 a day. The \$358 a day figure is based upon the actual average daily rate of participants in the program from July 2005-June 2006. The cost for this group has increased because of the increasingly complex support needs of the individuals served.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package relates to the Aging and Disability Services Administration (ADSA) strategic plan to provide programs that improve client health and safety with the goal that appropriate, high quality services are available in the least restrictive, most cost-effective setting appropriate to clients' needs. One of the strategies under this goal is to identify and develop community resources to support increasing numbers of people with highly complex and challenging medical, psychiatric, and behavioral issues who also pose a concern for public safety.

***Performance Measure Detail***

**Agency Level**

**Activity: D036 Field Services**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

**Activity: D082 Public Safety Services**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

***Reason for change:***

Clients served by this decision package are individuals who require close supervision and monitoring, as well as close coordination with other community support agencies such as DOC, community mental health agencies, law enforcement agencies, and local community and state hospital staff. Because of this, all clients entering the Community Protection Program who are Dangerous Mentally Ill Offender (DMIO) program participants have additional requirements for intensive case management services.

The increased daily rate from \$325 to \$358 a day is based upon the actual cost of providing the community services. These individuals have issues that are of serious concern to the public and require intensive behavioral intervention, case management and specialized therapy.

***Impact on clients and services:***

The individuals identified as DMIO who would be served by this proposal are being returned to their communities after several years of being incarcerated. The majority of these clients have no family to return to, or cannot return to the family home because of their level of dangerousness. Other individuals will be returning to communities after extended stays at state psychiatric hospitals and a majority of these individuals will also be unable to return to a family home because of the level of specialized supervision they require.

A specialized residential environment will be provided that minimizes risk to the community, yet still enables these individuals to receive the services they need. The participant agrees to supervision in a safe, structured manner that has specific rules, requirements, restrictions, and expectations in order to maximize community safety. Other living arrangements would not provide community safety. The funding requested by this decision package provides residential supports primarily through Supported Living programs and intensive case management. Funding would also provide day program assistance and professional therapies such as specialized counseling.

***Impact on other state programs:***

Department of Social and Health Services

**DP Code/Title: M2-UW Public Safety**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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There will be very little if any impact on other state programs, as most of the individuals are not currently receiving services.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Adult Family Homes and Adult Residential Care facilities are not considered to be an option due to the potential for victimization of other residents and insufficient staffing to provide the required close supervision. Individuals discharged from DOC custody generally receive only minimal supervision from their assigned Community Corrections Officer and minimal contact with the Regional Support Networks (RSN) for needed therapies. Few would qualify for Medicaid Personal Care services.

The best alternative is a specialized environment where the person has agreed to receive supervision and individualized supports in a safe, structured manner that has specific rules, restrictions, and expectations for personal responsibility to maximize community safety and reduce the risk of re-offense.

***Budget impacts in future biennia:***

An annual fiscal impact in each year of the ensuing biennia for Community Protection would be approximately \$2,090,720 (16 clients X 365 days X \$358 per day).

***Distinction between one-time and ongoing costs:***

This package includes one time equipment costs for staff and to cover the need to install alarm systems for doors and windows on the homes, pay rent deposits, provide intensive training to work with this population, and to provide basic household items such as linens, toiletries, dishes and utensils. These items are necessary as most clients entering into this program come with only a few clothes and minimal personal possessions. The remaining costs are ongoing.

***Effects of non-funding:***

Without providing individualized supervision, assistance in finding housing, needed therapy and employment, individuals being discharged from prisons to their local communities are all at risk of re-offending and would most likely return to the correctional system. Most will be required to register as sex offenders with the local sheriff's office. All individuals in this group have received professional risk assessments and are deemed at risk to offend.

If the requested daily increase for existing participants in the program is not funded we will be unable to fill all of the allocated positions because we will have exhausted all of our budgeted funding for the program due to the increased average rate per person.

***Expenditure Calculations and Assumptions:***

See attachment - DDD M2-UW Public Safety.xls



Department of Social and Health Services

DP Code/Title: M2-UW Public Safety

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	27,000	27,000
B Employee Benefits	0	9,000	9,000
E Goods And Services	0	6,000	6,000
G Travel	0	2,000	2,000
J Capital Outlays	0	8,000	8,000
N Grants, Benefits & Client Services	0	956,000	956,000
T Intra-Agency Reimbursements	0	1,000	1,000
<b>Total Objects</b>	<b>0</b>	<b>1,009,000</b>	<b>1,009,000</b>

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<u>Sources Title</u>			
0011 General Fund State	0	532,000	532,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>532,000</b>	<b>532,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	456,000	456,000
19UL Title XIX Admin (50%)	0	21,000	21,000
<i>Total for Fund 001-C</i>	<b>0</b>	<b>477,000</b>	<b>477,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>1,009,000</b>	<b>1,009,000</b>

**2007 Supplemental  
M2-UW Public Safety**

<b>TOTAL</b>				
		<b>FY 06</b>	<b>FY 07</b>	<b>Total</b>
	<b>FTEs</b>	-	0.5	0.3
	<b>GF-State</b>	0	532,000	532,000
	<b>Other</b>	0	477,000	477,000
	<b>Total</b>	0	1,009,000	1,009,000

<b>H57 - Field Services</b>				
		<b>FY 06</b>	<b>FY 07</b>	<b>Total</b>
	<b>FTEs</b>	-	0.5	0.27
	<b>GF-State</b>	-	32,000	32,000
	<b>Other</b>	-	21,000	21,000
	<b>Total</b>	-	53,000	53,000

<b>H51 - Community Residential</b>				
		<b>FY 06</b>	<b>FY 07</b>	<b>Total</b>
	<b>GF-State</b>	0	290,000	290,000
	<b>Other</b>	0	243,000	243,000
	<b>Total</b>	0	533,000	533,000

<b>H55 - Employment and Day</b>				
		<b>FY 06</b>	<b>FY 07</b>	<b>Total</b>
	<b>GF-State</b>	0	15,000	15,000
	<b>Other</b>	0	15,000	15,000
	<b>Total</b>	0	30,000	30,000

<b>H54 -Therapies</b>				
		<b>FY 06</b>	<b>FY 07</b>	<b>Total</b>
	<b>GF-State</b>	0	7,000	7,000
	<b>Other</b>	0	8,000	8,000
	<b>Total</b>	0	15,000	15,000

<b>H51 - Community Residential \$358 actual rate vs budgeted rate \$325 for the approved 42 slots in FY07</b>				
		<b>FY 06</b>	<b>FY 07</b>	<b>Total</b>
	<b>FTEs</b>	-	-	-
	<b>GF-State</b>	-	188,000	188,000
	<b>Other</b>	-	190,000	190,000
	<b>Total</b>	-	378,000	378,000

**2007 Supplemental  
M2-UW Public Safety**

Residential (H51)					Employment & Day (H55)					Therapies (H54)					
	# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month	Total Cost per Month
Jul-06	0	31	328	0	Jul-06	0	31	20	0	Jul-06	0	31	10	0	\$ 358
Aug-06	0	31	328	0	Aug-06	0	31	20	0	Aug-06	0	31	10	0	0
Sep-06	0	30	328	0	Sep-06	0	30	20	0	Sep-06	0	30	10	0	0
Oct-06	0	31	328	0	Oct-06	0	31	20	0	Oct-06	0	31	10	0	0
Nov-06	0	30	328	0	Nov-06	0	30	20	0	Nov-06	0	30	10	0	0
Dec-06	0	31	328	0	Dec-06	0	31	20	0	Dec-06	0	31	10	0	0
Jan-07	2	31	328	20,336	Jan-07	2	31	20	1,240	Jan-07	2	31	10	620	22,196
Feb-07	4	28	328	36,736	Feb-07	4	28	20	2,240	Feb-07	4	28	10	1,120	40,096
Mar-07	6	31	328	61,008	Mar-07	6	31	20	3,720	Mar-07	6	31	10	1,860	66,588
Apr-07	9	30	328	88,560	Apr-07	9	30	20	5,400	Apr-07	9	30	10	2,700	96,660
May-07	12	31	328	122,016	May-07	12	31	20	7,440	May-07	12	31	10	3,720	133,176
Jun-07	16	30	328	157,440	Jun-07	16	30	20	9,600	Jun-07	16	30	10	4,800	171,840
				486,000					29,640					14,820	530,556

53

Start-up Costs				FY 06	FY 07
Per client:				3,000	3,000
Clients:				-	16
Total				-	48,000
	FY 06	FY 07	Total		
GF-State	0	290,000	290,000		
Other	0	243,000	243,000		
Total	0	533,000	533,000		

	FY 06	FY 07	Total
GF-State	0	7,000	7,000
Other	0	8,000	8,000
Total	0	15,000	15,000

# 2007 Supplemental M2-UW Public Safety

Residential (H51)				Employment & Day (H55)				Therapies (H54)			
	# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month		Total Cost per Month
Jul-06	19	\$358-\$325=	33	19,437	Jul-06	19	31	0	0	0	19,437
Aug-06	19	31	33	19,437	Aug-06	19	31	0	0	0	19,437
Sep-06	19	30	33	18,810	Sep-06	19	30	0	0	0	18,810
Oct-06	19	31	33	19,437	Oct-06	19	31	0	0	0	19,437
Nov-06	19	30	33	18,810	Nov-06	19	30	0	0	0	18,810
Dec-06	19	31	33	19,437	Dec-06	19	31	0	0	0	19,437
Jan-07	19	31	33	19,437	Jan-07	19	31	0	0	0	19,437
Feb-07	19	28	33	17,556	Feb-07	19	28	0	0	0	17,556
Mar-07	19	31	33	19,437	Mar-07	19	31	0	0	0	19,437
Apr-07	19	30	33	18,810	Apr-07	19	30	0	0	0	18,810
May-07	19	31	33	19,437	May-07	19	31	0	0	0	19,437
Jun-07	19	30	33	18,810	Jun-07	19	30	0	0	0	18,810
				229,000							228,855

54

Start-up Costs		FY 06	FY 07
Per client:		-	-
Clients:		-	-
Total		-	-
		FY 06	FY 07
GF-State	0	114,000	114,000
Other	0	115,000	115,000
Total	0	229,000	229,000

	FY 06	FY 07	Total
GF-State	0	0	0
Other	0	0	0
Total	0	0	0

	FY 06	FY 07	Total
GF-State	0	0	0
Other	0	0	0
Total	0	0	0

FY 06 - 19 slots carried over at the average FY 06 daily rate of \$358

# 2007 Supplemental M2-UW Public Safety

Residential (H51)				Employment & Day (H55)				Therapies (H54)							
	# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month	Total Cost per Month
Jul-06	3	\$358-\$325= 31	33	3,069	Jul-06	3	31	0	0	Jul-06	3	31	0	0	3,069
Aug-06	3	31	33	3,069	Aug-06	3	31	0	0	Aug-06	3	31	0	0	3,069
Sep-06	3	30	33	2,970	Sep-06	3	30	0	0	Sep-06	3	30	0	0	2,970
Oct-06	8	31	33	8,184	Oct-06	8	31	0	0	Oct-06	8	31	0	0	8,184
Nov-06	10	30	33	9,900	Nov-06	10	30	0	0	Nov-06	10	30	0	0	9,900
Dec-06	11	31	33	11,253	Dec-06	11	31	0	0	Dec-06	11	31	0	0	11,253
Jan-07	14	31	33	14,322	Jan-07	14	31	0	0	Jan-07	14	31	0	0	14,322
Feb-07	15	28	33	13,860	Feb-07	15	28	0	0	Feb-07	15	28	0	0	13,860
Mar-07	17	31	33	17,391	Mar-07	17	31	0	0	Mar-07	17	31	0	0	17,391
Apr-07	20	30	33	19,800	Apr-07	20	30	0	0	Apr-07	20	30	0	0	19,800
May-07	22	31	33	22,506	May-07	22	31	0	0	May-07	22	31	0	0	22,506
Jun-07	23	30	33	22,770	Jun-07	23	30	0	0	Jun-07	23	30	0	0	22,770
				149,000					0						149,094

55

Start-up Costs		FY 06	FY 07
Per client:		-	-
Clients:		-	-
Total		-	-
		FY 06	FY 07
GF-State	0	74,000	74,000
Other	0	75,000	75,000
Total	0	149,000	149,000

Legislatively approved 23 slots for FY 2007

	FY 06	FY 07	Total
GF-State	0	0	0
Other	0	0	0
Total	0	0	0

	FY 06	FY 07	Total
GF-State	0	0	0
Other	0	0	0
Total	0	0	0

# 2007 Supplemental M2-UW Public Safety

	FY 06		FY 07		2007-09 Biennial Total	
	GF-S	Total	GF-S	Total	GF-S	Total
	-	-	21,000	53,000	21,000	53,000
Total	-	-	21,000	53,000	21,000	53,000

FY 06 Social Worker	FTEs	Monthly Salary	Salaries A	Benefits B	Goods & Services E	Leases ED	Personnel Services EN	Travel G	Equipment J	ISSD T	Total
		4,207	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
Total	-		-	-	-	-	-	-	-	-	-

56 FY 07 Social Worker 3	FTEs	Monthly Salary	Salaries A	Benefits B	Goods & Services E	Leases ED	Personnel Services EN	Travel G	Equipment J	ISSD T	Total
	0.5	4,207	27,000	9,000	4,000	2,000	-	2,000	8,000	1,000	53,000
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
Total	0.5		27,000	9,000	4,000	2,000	-	2,000	8,000	1,000	53,000

60% GF-S 32,000  
40% GF-F 21,000

Clients 16.0  
Ratio 1:30 30.0  
FTEs 0.53

## Assumptions:

Social Worker - derived using the ratio of 1:30 - social worker to clients. 0.5 social workers for 16 clients

Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This item requests \$3,790,000 (\$1,903,000 GF-State) and 1.5 FTEs for Fiscal Year 2007 to purchase residential services, employment programs, specialized therapies, and intensive case management for 110 clients of the Division of Developmental Disabilities (DDD) who fall within one of the following four categories: 1) community based waiver clients assessed as having an immediate need for increased services, 2) youth aging out of Children's Administration (CA) or Juvenile Rehabilitation Administration (JRA) services, 3) clients without residential services who are in crisis and at immediate risk of needing institutional placement, and 4) clients who are residents of Residential Habilitation Centers (RHCs) who are able to be cared for and choose to live in community settings.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	1,903,000	1,903,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	1,887,000	1,887,000
<b>Total Cost</b>	<b>0</b>	<b>3,790,000</b>	<b>3,790,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>1.5</b>	<b>0.8</b>

**Package Description:**

This item requests \$3,790,000 (\$1,903,000 GF-State) and 1.5 FTEs for Fiscal Year 2007 to purchase residential services, employment programs, specialized therapies, and intensive case management for 110 clients of DDD who fall within one of the following four categories: 1) community based waiver clients assessed as having an immediate need for increased services, 2) youth aging out of CA or JRA services, 3) clients without residential services who are in crisis and at immediate risk of needing institutional placement, and 4) clients who are residents of RHCs who are able to be cared for and choose to live in community settings.

**1) Community Based Waiver Clients Assessed as Having an Immediate Need for Increased Services**

A review of DDD's Community Alternatives Program (CAP) waiver was conducted by the Center for Medicare Medicaid Services (CMS) July 2001 - January 2002. The CMS report from this review states in Recommendation #4: "Remove all provisions from existing laws, regulations, policies and procedures that support or encourage denying CAP clients access to needed waiver services due to funding limitations. At the same time, laws and policies should be implemented recognizing the need to fully fund the waiver services CAP participants are assessed to need." In ongoing discussions about Washington applications for four new waivers, federal officials in Baltimore have separately asked for assurance that Washington will meet waiver participant needs per the recent July 2002 review.

Since completion of the CMS review a number of DDD clients have been assessed as having immediate need for residential services in order to meet their health and safety needs. Currently, DDD receives approximately \$125 million per year in federal funding through the waiver. If community-based service alternatives are not provided these individuals will be at risk of placement in an RHC.

This item requests funds to cover the costs of services that have been authorized to address the assessed needs of CORE waiver clients. Based on projections using current proviso spending in this category DDD is requesting funding to support 29 individuals at an average daily rate of \$300 per person.

Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

This item also requests funding for people who are currently on the Basic and Basic Plus waiver program who will need the increased services that the CORE waiver program offers. During the most recent waiver year, 66 individuals on the Basic/Basic Plus waivers were identified to have health and welfare needs that could only be addressed through residential services available on the CORE Waiver. If these individuals had not been moved to the CORE waiver their residential option would have been institutional placement in an RHC. This request is for funding to move 65 Basic/Basic Plus waiver clients to the CORE waiver and provide necessary residential and other support services at an average daily rate of \$300 per person in Fiscal Year 2007.

2) Children Aging Out of Other DSHS Services

DDD clients age out of CA services between the ages of 18 and 21. DDD clients age out of JRA services at age 18. Funding for their services through CA and JRA is specific to child serving administrations and dependent on federal funding sources. These funds cannot accompany the individual into DDD adult services. While some youth transferring out of CA or JRA can be supported with Medicaid Personal Care (MPC), this request is for those youth who require more intensive residential supports. The division is therefore requesting funds to provide these clients needed DDD adult residential and employment/day services.

A number of the youth aging out of CA have medical or behavioral issues which cannot be adequately supported with MPC. These individuals have been served in CA due to abuse and/or neglect issues and therefore cannot be supported by their families. A number of the youth aging out of JRA have community protection issues including sexual offenses or violent crimes. They require 24-hour close supervision in order to maximize community safety. Additionally, these individuals cannot reside in Adult Family Homes (AFH) or Adult Residential Care (ARC) due to the risk they would present to other residents. These youth require supports at the level of DDD 24-hour Supportive Living services. At age 21 these individuals will also require employment/day programs. If community service alternatives are not provided, these individuals will be at risk of placement in an RHC. Based on projections from Aging and Disability Services Administration (ADSA) decision support regarding the number of children in this category, DDD is requesting funds to serve five individuals at an average daily rate of \$300 per person.

3) Clients Without Residential Services at Risk of Institutionalization

Each year there are DDD clients who are not on a Home and Community Based Services (HCBS) waiver who experience a crisis and require out-of-home residential services because their current living arrangement places their health and safety at risk (e.g., loss of caregiver; the client has serious assaultive / aggressive behaviors placing the caregiver and / or client at risk of harm). These clients are eligible for Intermediate Care Facility for the Mentally Retarded (ICF/MR) services and are at risk of placement in an RHC. These crises occur when their current living arrangement is no longer able to meet their support needs. If community service alternatives are not provided for these individuals they will be at risk of placement in a RHC. Based on projections using current proviso spending in this category, DDD is requesting funds to serve nine individuals at an average daily rate of \$300 per person.

4) Clients Who are Residents of RHCs Who are Able to be Cared For and Choose to Live in Community Settings.

Placement in an RHC is a State Medicaid Plan service available to individuals who meet the eligibility requirements. Requests for admission to RHCs (particularly for people and families in crisis) have steadily increased since the CMS review of the CAP waiver in 2002. The waiver review stated that Washington may not deny institutional admission to eligible persons, while at the same time Washington was attempting to downsize / consolidate institutions.

DDD serves a relatively small number of people in out-of-home residential situations. About 1,000 of the division's 32,000 enrolled clients are served in RHCs. Although most clients would meet the eligibility requirements for RHC services, for the most part, families are willing and able to keep their family member at home. However, when the person is in crisis and threatening others in the family, or when the family is unable to provide the level of care needed, out-of-home placement is necessary.



Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

Usually families will choose a community residential option if one is available. With the advent (March 2004) of the department's new admission policy, it is expected that the institutional population will increase unless support is provided to divert people. This proposal would increase the availability of community residential options so that people are not forced or otherwise encouraged to exercise their option for an RHC admission. Based on projections using current proviso spending, DDD is requesting funds to serve two individuals at an average daily rate of \$300 per person.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package relates to ADSA strategic plan to Improve Client Health and Safety with the goal that "appropriate quality services are available in the least restrictive most cost-effective setting appropriate to clients' needs." An objective of this goal is to "develop and implement service delivery options that provide individuals with maximum choice, address individual's health and safety needs, and allow the state to provide service as efficiently and cost effectively as possible."

***Performance Measure Detail***

**Agency Level**

**Activity: D028 Employment and Day Programs**

No measures linked to package

**Incremental Changes**

**FY 1** **FY 2**

0.00 0.00

**Activity: D036 Field Services**

No measures linked to package

**Incremental Changes**

**FY 1** **FY 2**

0.00 0.00

**Activity: D076 Professional Services**

No measures linked to package

**Incremental Changes**

**FY 1** **FY 2**

0.00 0.00

**Activity: D087 Residential Program**

No measures linked to package

**Incremental Changes**

**FY 1** **FY 2**

0.00 0.00

***Reason for change:***

**1) Community Based Waiver Clients Assessed as Having an Immediate Need for Increased Services**

This request requests funds to cover the increased needs of 29 CORE waiver clients, and to move 66 Basic/Basic Plus waiver clients to the CORE waiver.

**2) Children Aging Out of Other DSHS Services**

This proposal requests funds to support five persons who will age-out of JRA and CA services during Fiscal Year 2007 at an average daily rate of \$300 per person.

**3) Clients Without Residential Services at Risk of Institutionalization**

This proposal requests funds to support nine persons who are currently not on the HCBS waiver, are in need of residential services, and who are at risk of admission to RHCs in Fiscal Year 2007 (at an average daily rate of \$300 per person).

**4) Clients Who are Residents of RHCs Who are Able to be Cared For and Choose to Live in Community Settings.**

This proposal requests funds to support two persons who are current residents of RHCs and who can be cared for in

Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup  
community residential settings in Fiscal Year 2007 at an average daily rate of \$300 per person.

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***Impact on clients and services:***

1) Community Based Waiver Clients Assessed as Having an Immediate Need for Increased Services

Without the availability of community service options, these clients will be at risk of placement in an RHC.

2) Children Aging Out of Other DSHS Services

DDD clients aging out of CA and JRA who have no other available residential service options will receive the adult residential and employment/day supports they require to maintain their health and safety and to address their habilitation needs.

3) Clients Without Residential Services at Risk of Institutionalization

This funding will enable DDD to meet the community residential, employment and therapy needs of individuals who are in crisis. These funds will provide the preferred community options and prevent the need to place them in RHCs in order to meet their health and safety needs.

4) Clients Who are Residents of RHCs Who are Able to be Cared For and Choose to Live in Community Settings

This funding will enable DDD to meet the community residential, employment and therapy needs of individuals who are currently supported in an RHC.

***Impact on other state programs:***

1) Community Based Waiver Clients Assessed as Having an Immediate Need for Increased Services

If HCSB client needs are not met, DDD will risk losing FFP resulting in many current HCSB clients losing their community services. If the needed funding is provided, other programs will not be impacted as persons on the HCSB waiver will have their needs met. The alternative will be to offer placement in an ICF/MR bed at an RHC at a higher cost of approximately \$468 per day

2) Children Aging Out of Other State Services

If these clients do not receive adequate residential supports from DDD:

- The youth from JRA may reoffend and be incarcerated in the Department of Corrections (DOC) system;
- If no community residential services are available, placement at an RHC may need to be considered at an approximate cost of \$468 per day; and
- The youth from CA would not have the needed residential services to maintain their health and safety and could become homeless. They would most likely be seen as gravely disabled and could potentially be committed to a psychiatric hospital.

3) Clients Without Residential Services at Risk of Institutionalization

These funds would provide community service options for these individual and prevent the need to place them in RHCs at an approximate cost of \$468 per day in order to meet their health and safety needs.

4) Clients Who are Residents of RHCs Who are Able to be Cared For and Choose to Live in Community Settings

None.

Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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***Relationship to capital budget:***

Placement of individuals currently residing in the community who choose to receive services in an RHC due to a lack of community service options could affect the capital budget for RHCs.

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

1) Community Based Waiver Clients Assessed as Having an Immediate Need for Increased Services

The only alternative available to DDD if it does not have adequate funds to meet the needs of clients on the HCBS waivers is to deny them access to their needed waiver services. Per the CMS review of the CAP waiver, denial of assessed needs of waiver clients will risk the department's eligibility for FFP under the HCBS waivers.

2) Children Aging Out of Other DSHS Services

Because the funds from JRA and CA cannot accompany the individual into adult DDD services, these DDD clients have no other available living options. MPC will not adequately meet their residential support needs. Without necessary residential supports these clients' health and safety will be at risk. Community safety will be at risk for those clients with community protection issues.

3) Clients Without Residential Services at Risk of Institutionalization

These clients would not have the needed residential services to maintain their health and safety and could become homeless. They are ICF/MR eligible and would be eligible for placement in an RHC. They would most likely be seen as gravely disabled and could potentially be committed to a psychiatric hospital.

4) Clients Who are Residents of RHCs Who are Able to be Cared For and Choose to Live in Community Settings

Another alternative for people needing a residential setting would be to remain in the institutions. This decision package offers choice for these individuals by providing a less restrictive community setting.

***Budget impacts in future biennia:***

Client costs for future biennia would be \$12,045,000 per fiscal year. (110 clients X \$300 per day X 365 days).

Staffing costs would be approximately \$223,000 annually.

***Distinction between one-time and ongoing costs:***

This package includes one-time equipment costs for staff. One time costs also cover the need to pay rent deposits, provide intensive training to work with this population, and to provide basic household items such as linens, toiletries, dishes and utensils. These items are necessary as most clients entering into this program come with only a few clothes and minimal personal possessions. The remaining costs are ongoing.

***Effects of non-funding:***

1) Community Based Waiver Clients Assessed as Having an Immediate Need for Increased Services

Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

Per the CMS review of the former CAP waiver, denial of coverage for assessed needs of HCBS waiver clients will risk the department's eligibility for FFP under the waiver. If HCBS clients lose their current community services due to the division losing eligibility for HCBS waiver:

- Most of these clients cannot be adequately served through the use of MPC services;
- A number of these individuals would be eligible for ICF/MR placement and would most likely request placement in an RHC at a cost much higher than their current services (approximately \$468 per day);
- Some individuals will be eligible and will request services under the Community Options Program Entry Services (COPES) waiver;
- Individuals with public safety issues will be at risk for in-patient psychiatric hospital services or incarceration; and
- Families receiving supports for their children in the family home may be forced to request out-of-home placement at a cost higher than their in-home services.

2) Children Aging Out of Other DSHS Services

These DDD clients have no other available living options. Without necessary residential supports these clients' health and safety will be at risk. Community safety will be at risk for those clients with community protection issues.

3) Clients Without Residential Services at Risk of Institutionalization

These clients would not have the needed residential services to maintain their health and safety and could become homeless. They are ICF/MR eligible and would be eligible for placement in an RHC. They would most likely be seen as gravely disabled and could potentially be committed to a psychiatric hospital.

4) Clients Who are Residents of RHCs Who are Able to be Cared For and Choose to Live in Community Settings

Non-funding of these individuals into community settings will result in individuals remaining in an institution

***Expenditure Calculations and Assumptions:***

See attachment - DDD ML-UX Expanded Community Services.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	69,000	69,000
B Employee Benefits	0	22,000	22,000
E Goods And Services	0	18,000	18,000
G Travel	0	4,000	4,000
J Capital Outlays	0	16,000	16,000
N Grants, Benefits & Client Services	0	3,660,000	3,660,000
T Intra-Agency Reimbursements	0	1,000	1,000
<b>Total Objects</b>	<b>0</b>	<b>3,790,000</b>	<b>3,790,000</b>

Department of Social and Health Services

**DP Code/Title: M2-UX Expanded Community Services**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	1,903,000	1,903,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>1,903,000</b>	<b>1,903,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19TA	Title XIX Assistance (FMAP)	0	1,835,000	1,835,000
19UL	Title XIX Admin (50%)	0	52,000	52,000
<i>Total for Fund 001-C</i>		<b>0</b>	<b>1,887,000</b>	<b>1,887,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>3,790,000</b>	<b>3,790,000</b>

## 2007 Supplemental M2-UX Expanded Community Services

TOTAL				
		FY 06	FY 07	Total
	FTEs	-	1.5	0.8
	GF-State	0	1,903,000	1,903,000
	Other	0	1,887,000	1,887,000
	Total	0	3,790,000	3,790,000

H57 - Field Services				
		FY 06	FY 07	Total
	FTEs	-	1.5	0.8
	GF-State	-	78,000	78,000
	Other	-	52,000	52,000
	Total	-	130,000	130,000

H51 - Community Residential				
		FY 06	FY 07	Total
	GF-State	0	1,673,000	1,673,000
	Other	0	1,682,000	1,682,000
	Total	0	3,355,000	3,355,000

H55 - Employment and Day				
		FY 06	FY 07	Total
	GF-State	0	91,000	91,000
	Other	0	92,000	92,000
	Total	0	183,000	183,000

H54 -Therapies				
		FY 06	FY 07	Total
	GF-State	0	61,000	61,000
	Other	0	61,000	61,000
	Total	0	122,000	122,000

**2007 Supplemental  
M2-UX Expanded Community Services**

Residential (H51)				Employment & Day (H55)				Therapies (H54)							
	# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month		# of clients	days per month	Daily Rate	Cost per month	Total Cost per Month
Jul-08	0	31	275	0	Jul-08	0	31	15	0	Jul-08	0	31	10	0	0
Aug-08	0	31	275	0	Aug-08	0	31	15	0	Aug-08	0	31	10	0	0
Sep-08	0	30	275	0	Sep-08	0	30	15	0	Sep-08	0	30	10	0	0
Oct-08	0	31	275	0	Oct-08	0	31	15	0	Oct-08	0	31	10	0	0
Nov-08	0	30	275	0	Nov-08	0	30	15	0	Nov-08	0	30	10	0	0
Dec-08	0	31	275	0	Dec-08	0	31	15	0	Dec-08	0	31	10	0	0
Jan-09	0	31	275	0	Jan-09	0	31	15	0	Jan-09	0	31	10	0	0
Feb-09	55	28	275	423,500	Feb-09	55	28	15	23,100	Feb-09	55	28	10	15,400	462,000
Mar-09	65	31	275	554,125	Mar-09	65	31	15	30,225	Mar-09	65	31	10	20,150	604,500
Apr-09	80	30	275	660,000	Apr-09	80	30	15	36,000	Apr-09	80	30	10	24,000	720,000
May-09	95	31	275	809,875	May-09	95	31	15	44,175	May-09	95	31	10	29,450	883,500
Jun-09	110	30	275	907,500	Jun-09	110	30	15	49,500	Jun-09	110	30	10	33,000	990,000
				<u>3,355,000</u>					<u>183,000</u>					<u>122,000</u>	<u>3,660,000</u>

	FY 06	FY 07	Total
GF-State	0	1,673,000	1,673,000
Other	0	1,682,000	1,682,000
Total	0	3,355,000	3,355,000

	FY 06	FY 07	Total
GF-State	0	61,000	61,000
Other	0	61,000	61,000
Total	0	122,000	122,000

65

Department of Social and Health Services

DP Code/Title: M2-UY KAT Conversion

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This item requests a fiscal year total of \$115,000 (\$57,000 GF-State) and 1.2 FTEs. Kitsap Applied Technologies (KAT) has informed the Division of Developmental Disabilities (DDD) that it will reduce the daily working hours of five residents at Frances Haddon Morgan Center (FHMC). Staffing, transportation, and food related expenditures will all increase due to this schedule change, which is to take effect on October 2, 2006.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	57,000	57,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	58,000	58,000
<b>Total Cost</b>	<b>0</b>	<b>115,000</b>	<b>115,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>1.2</b>	<b>0.6</b>

**Package Description:**

This item requests a biennial total of \$115,000 (\$57,000 GF-State) and 1.2 FTEs. FHMC was originally established as an RHC for children and did not have an on-campus day program or employment service because children were served at school. As FHMC residents became adults and school was no longer an option, day program services were secured in the typical community employment system. KAT, the day program provider, has informed DDD that it will reduce the daily working hours of five residents at FHMC. Staffing, transportation, and food related expenditures will all increase due to this schedule change, which is to take effect October 2, 2006.

FHMC needs to increase staffing to compensate for the reduction in employment services and provide active treatment hours to meet federal requirements. Since work trips must be added to accommodate this schedule change, there will be additional transportation costs.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

The Priorities of Government (POG) identified a priority as "improving the security of Washington's vulnerable children and adults by providing services to keep them safe, healthy, and productive." Meeting the needs of the DDD clients at FHMC for supervision and active treatment is within the scope of this priority and is directly related to the safety and productivity of the residents.

**Performance Measure Detail**

**Agency Level**

Activity: D086 Residential Habilitation Facilities

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Reason for change:**

Without additional staffing and other resources, FHMC will be unable to provide active treatment and carry out the healthcare tasks (swallowing protocols) needed to meet client needs and minimum standards for client safety. This would



Department of Social and Health Services

**DP Code/Title: M2-UY KAT Conversion**

**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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result in a significant risk management issue. It would also mean negative findings in the Intermediate Care Facility for Mentally Retarded (ICF/MR) survey process in both "client protection" and "active treatment" conditions of participation.

It should also be noted that the Department of Justice's (DOJ) recent findings include concerns about active treatment in "the absence of adequate vocational training and work programs" at FHMC as well as a recommendation for the pursuit of "more meaningful vocational opportunities."

***Impact on clients and services:***

Currently, there are five residents who go to work at KAT from 9:30 am to 2:30 pm. Monday through Friday. KAT's proposal is to change the schedules of these residents shifting from five hours a day currently to 3.5 hours a day effective October 2006. Under the new schedule some residents will work morning shifts, others afternoon shifts. This will increase the time at home on the FHMC campus for residents. It will require FHMC to provide up to three additional trips to and from KAT daily. FHMC will also incur increased costs for activity supplies.

***Impact on other state programs:***

None anticipated. The cost to KAT to provide ongoing services to FHMC residents will not diminish. As an agency KAT is proposing to shift from a sheltered work environment to a community integrated service. This will require more individualized services for client employees. The cost of service will remain the same.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

FHMC has met with the Kitsap County DD coordinator and has explored alternatives with all other Kitsap County DD employment vendors. There are currently no other employment vendors in Kitsap County willing or able to serve these residents.

***Budget impacts in future biennia:***

It is estimated that the proposed level of resources described in this decision package would be needed for at least the 2007-09 biennium at the Fiscal Year 2007 level.

***Distinction between one-time and ongoing costs:***

Although it is hoped that future community-based employment opportunities might result in reducing ongoing costs, it is recognized that developing employment for these FHMC residents is extremely challenging and is likely to take an extended period of time. The costs will be ongoing pending a successful outcome of community employment for each resident, with the exception of one-time equipment costs.

***Effects of non-funding:***

Not increasing staffing levels and providing active treatment during the increased hours of time at FHMC would constitute negligence on the part of DDD in not meeting the essential minimum staffing needs for basic health and safety and in failing to provide federally mandated services.

State of Washington  
**Decision Package**  
**Department of Social and Health Services**

**FINAL**

**DP Code/Title: M2-UY KAT Conversion**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

***Expenditure Calculations and Assumptions:***

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	36,000	36,000
B Employee Benefits	0	19,000	19,000
E Goods And Services	0	45,000	45,000
G Travel	0	2,000	2,000
J Capital Outlays	0	12,000	12,000
T Intra-Agency Reimbursements	0	1,000	1,000
<b>Total Objects</b>	<b>0</b>	<b>115,000</b>	<b>115,000</b>

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources</u> <u>Title</u></b>			
0011 General Fund State	0	57,000	57,000
<b>Total for Fund 001-1</b>	<b>0</b>	<b>57,000</b>	<b>57,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources</u> <u>Title</u></b>			
19TA Title XIX Assistance (FMAP)	0	58,000	58,000
<b>Total for Fund 001-C</b>	<b>0</b>	<b>58,000</b>	<b>58,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>115,000</b>	<b>115,000</b>

Department of Social and Health Services

**DP Code/Title: M2-UZ Crisis Care Needs**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This item requests a fiscal year total of \$2,916,000 (\$1,455,000 GF-State) of funding for the extra-ordinary costs associated with emergency short term stays at the Residential Habilitation Centers (RHCs).

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	1,455,000	1,455,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	1,461,000	1,461,000
<b>Total Cost</b>	<b>0</b>	<b>2,916,000</b>	<b>2,916,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>30.5</b>	<b>15.3</b>

**Package Description:**

This item requests a fiscal year total of \$2,916,000 (\$1,455,000 GF-State) of funding and the expenditure authority for 30.5 FTEs (FY 06 level) for the extra-ordinary costs associated with emergency short term stays at the RHCs. Emergency short-term stays occur when individuals with a developmental disability represent a serious danger to themselves or those around them and alternatives in the community do not exist. Extraordinary costs refer to the intense staffing necessary to manage the crisis environment that surrounds a short-term stay. The alternative to this is most often placement in a state psychiatric hospital, which is more costly.

The RHCs provide two types of short term stays, planned and emergency. Planned is used by families for a variety of reasons including to have their relative evaluated for medical or behavioral issues. Emergency services are provided to individuals who are without residential services and are in crisis or whose residential situation is such that they cannot be maintained safely. However when 1:1 staffing or even more intense staffing is necessary, as is most often the case with emergency stays, the costs are substantially greater. Emergency short term stays have been increasing dramatically during the last few years. Statewide, the RHCs in Fiscal Year 2004 provided 35 percent more short-term care than in Fiscal Year 2000. The steep increase in emergency stays makes it difficult to provide for planned stays creating an increase pressure on families who had planned on a short term stay.

This decision package covers the cost for individuals in crisis who manifest such danger to themselves or others that they require one-to-one and sometimes two-to-one direct support intervention in order to keep them safe. They do not ordinarily have a mental health diagnosis. They are not competent to understand the consequences of their behaviors. Stabilization means providing a safe structured environment with professional consultation, functional assessments and positive behavior support planning. In addition to intensive direct staff support, institutions have Behavior Response teams available that may be called in immediately to contain a dangerous situation without causing harm to the person or to her/his housemates.

This proposal funds the costs incurred in the RHCs for providing these emergency short term services.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package supports Aging and Disability Services Administration (ADSA) goal to improve client health and

Department of Social and Health Services

**DP Code/Title: M2-UZ Crisis Care Needs**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

safety assuring appropriate quality services are available in the least restrictive most cost effective setting appropriate to the clients needs. By providing a safety net and allowing individuals to integrate back into the community it supports DDD's goal of designing and maintaining an effective system of residential support services that provide a full range of service options based on assessed needs, emphasizing choice and efficient resource utilization. Emergency short-term stays provide for a person's health and safety needs.

**Performance Measure Detail**

**Agency Level**

**Activity: D086 Residential Habilitation Facilities**

No measures linked to package

**Incremental Changes**

**FY 1**

0.00

**FY 2**

0.00

**Reason for change:**

The RHCs have not been able to absorb the cost of emergency stays for several years. With the increase in the number and complexity of the issues individuals have who are admitted short-term for health and safety reasons, the year end deficits at the RHCs will continue, or the RHCs will be forced to reduce the use of short term admissions. This creates the circle where individuals experiencing emergencies are not treated and could put pressure on the state psychiatric hospitals. This decision package will allow the RHCs to serve emergency crisis short-term stays without jeopardizing either the health and safety of the individual in crisis or the health and safety of the long term residents. Secondly it secures federal match. When resources are diverted from the long term residents to short term residents, there is a drop in services available to the long term clients. This is contrary to federal rule and leaves the State vulnerable to sanctions and loss of federal match. For instance, each individual must have the full complement of evaluations and services when they are admitted for any kind of stay, short or long in order for the State to claim federal match.

Consequently, the more admissions there are and the more complex they are, the more time must be spent by staff to develop and complete individual evaluations and service plans. This takes time, energy and effort away from the services the professional and direct care staff should be providing to long term residents. This is a tremendous work load imposed on the staff and it could be viewed by the Intermediate Care Facility for the Mentally Retarded (ICF/MR) surveyors as depriving the long term residents from services they should be receiving.

**Impact on clients and services:**

Increases in the number and length of stays for these emergent need clients along with the increasing cost of providing the care continues and the RHCs are being stretched to where care for long term clients may be impacted. Many of the short-term admissions are because of health and safety issues. Without additional resources, these individuals with complex issues will be forced back on community hospitals, state psychiatric hospitals or the family home which is likely ill equipped to handle the issues being faced.

**Impact on other state programs:**

This decision package reduces the need for individuals in need of emergency services to access other state or community services. Without the increase resource individuals in need of emergency respite can end up in state psychiatric hospitals or community hospitals.

**Relationship to capital budget:**

None

**Required changes to existing RCW, WAC, contract, or plan:**

None

Department of Social and Health Services

**DP Code/Title: M2-UZ Crisis Care Needs**

**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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***Alternatives explored by agency:***

Before an individual is admitted to an RHC, other care alternatives in the community are explored. Alternatives typically include: in-home providers, out-of-home respite in licensed facilities (e.g. foster homes, staffed residential facilities, and adult family homes), mental health diversion and crisis prevention resources, technical assistance and consultation to primary caregivers/service providers. Emergency RHC stay is requested only when none of the community alternatives is available or the community alternative can not provide the level of support and/or treatment needed to address the health and safety of the individual.

Developing emergency community respite capacity as an alternative was not selected because attempting to create short-term alternatives for dangerous individuals in community settings raises the following barriers: community siting of support facilities, sufficient numbers of staff available to contain unpredictable and dangerous situations, and community liability if the person harms a neighbor.

Other alternatives for this group of individuals is commitment to a state psychiatric hospital.

***Budget impacts in future biennia:***

The cost carries forward into the 2007-09 Biennium. A decision package has been submitted in the biennial request.

***Distinction between one-time and ongoing costs:***

All costs are ongoing.

***Effects of non-funding:***

Non-funding may result in one or several of the following:

- Turning clients in crisis with health and safety issues away from the RHCs and not serving clients in need of service.
- Adding pressure to the State psychiatric hospitals as the individuals in crisis are brought into the hospitals because of their perceived psychiatric issues.
- Continuing the over expenditures at the RHCs.
- Placing the certification and Federal match of the RHC in jeopardy as resources are turned toward the crisis short-term admission and away from the long-term admission.

Driving this request is not only the costs but a deferral of services to permanent clients. Overtime or intermittent staff are hired as necessary to provide direct service to residents based on the ICF/MR requirements. When there is a higher than anticipated need, this creates an over expenditure of FTEs. In addition we also defer providing professional services to long term residents because staff is busy providing necessary services, evaluations and treatments to the emergency short term stay clients. For instance some psychologists estimate that over half their time is spent working with short term stay clients. This takes away from the time the psychologist would normally spend with long term clients thus deferring the service they may need. While this situation has not become an issue with monitors yet it has the potential to cause certification difficulties.

The RHCs try their best to work within budget constraints and program needs. They try to provide all the necessary services to long term and short term stay clients so that all clients get necessary services and the Federal match is maximized. By continuing to provide services to short term stays who have increasingly complex and difficult needs, RHCs may have to begin to defer services to permanent clients. Deferral of service does not show as an over expenditure but it is costly in other ways. Like deferred maintenance on an automobile that finally catches up with a large service bill when the engine is not kept in tune, the lack of services to long term clients and pressure on staff may cause programmatic client issues later to which the RHC must respond. The bill to the RHC is usually the higher than anticipated use of staff time.

***Expenditure Calculations and Assumptions:***

Department of Social and Health Services

DP Code/Title: M2-UZ Crisis Care Needs

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

See attachment - DDD ML-UZ Crisis Care Needs.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	1,750,000	1,750,000
B Employee Benefits	0	758,000	758,000
E Goods And Services	0	408,000	408,000
<b>Total Objects</b>	<b>0</b>	<b>2,916,000</b>	<b>2,916,000</b>

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<u>Sources Title</u>			
0011 General Fund State	0	1,455,000	1,455,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>1,455,000</b>	<b>1,455,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	1,461,000	1,461,000
<i>Total for Fund 001-C</i>	<b>0</b>	<b>1,461,000</b>	<b>1,461,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>2,916,000</b>	<b>2,916,000</b>

## 2007 Supplemental M2-UZ Crisis Care Needs

	FY 04	FY 05	FY 06	estimate FY 07
Extra-ordinary Emergency Short Term Stay Expenditures as Reported by the RHCs	\$ 1,248,149	\$ 1,646,848	\$ 2,243,421	\$ 2,916,447
Historic Overexpenditures of RHCs as Reported in FASTRACK	FY 04 \$(3,542,614)	FY 05 \$(6,346,850)	FY 06 \$(3,723,008)	FY 07

	GF-State	Other	Total
FY 2007 Request	1,455,000	1,461,000	2,916,000

Growth Factor for dollars is based on change between FY 04 and FY 05 and between FY 05 and FY 06  
Growth between FY 04 and FY 05 is .32 and between FY 05 and 06 is .36  
Applied .30 as growth factor to FY 06 for FY 07 estimate

Department of Social and Health Services

**DP Code/Title: M2-VN Office Reloc One-Time Costs**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests one-time funding of \$285,000 beginning July 1, 2006 for three forced office moves across the state to cover the estimated relocation costs.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	43,000	43,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	35,000	35,000
<b>Total Cost</b>	<b>0</b>	<b>78,000</b>	<b>78,000</b>

**Staffing**

**Package Description:**

DSHS is requesting one-time only funding of \$285,000 in Fiscal Year (FY) 2007 to cover relocation costs due to three forced office moves in the following cities - Friday Harbor, Auburn, and Seattle.

In identifying these office locations, DSHS' Children's Administration, Aging and Disabilities Services Administration, and Economic Services Administration, worked closely with DSHS Division of Lands and Buildings to analyze all existing opportunities to maximize client service delivery, relieve client and staff overcrowding, minimize the effect of deteriorating buildings and reduce lease costs long-term. The three office relocations represent the best opportunities for DSHS to achieve these goals in the future and are consistent with the department's Leased Facilities Strategic Plan.

New or relocated offices require several standard modifications involving costs for IT infrastructure, building infrastructure, equipment, moving and construction.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

These strategic moves are part of the department's Leased Facilities Strategic Plan, which supports efficient use of budget dollars (one-time versus ongoing costs), efficient use of space, service integration opportunities, improved service delivery through co-location opportunities with other agencies and consolidation opportunities within the agency, and providing a productive workplace for staff. This request contributes to DSHS' strategic planning goals to "value and develop employees" and the objective to "provide the infrastructure, information, and systems to help employees do their jobs." This request will provide DSHS staff with the facilities infrastructure to serve clients in a safe working environment.

***Performance Measure Detail***

**Agency Level**

***Reason for change:***

DSHS is forced to relocate the following three leased facilities:

Auburn Community Services Office was not able to renew this lease.



Department of Social and Health Services

**DP Code/Title: M2-VN Office Reloc One-Time Costs**

**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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The Friday Harbor collocation office building was bought by San Juan County and it would not renew our lease.

The Seattle Division of Developmental Disabilities State Operated Living Alternative (SOLA) office was notified that the landlord intended to occupy the building and would not renew our lease

***Impact on clients and services:***

By relocating to new co-located facilities, DSHS will be better able to continue to meet the needs of clients served by multiple DSHS programs.

***Impact on other state programs:***

Funding may have an impact on other state agencies that may be co-located with DSHS programs.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

DSHS' Division of Lands and Buildings has explored alternatives with the affected programs. The relocation to newly leased facilities saves DSHS over the term of the lease and improves services to and access for clients.

***Budget impacts in future biennia:***

None

***Distinction between one-time and ongoing costs:***

These are one-time only costs to fund three office relocations across the state.

***Effects of non-funding:***

DSHS would need to examine staff costs and service areas for reductions in order to fund these relocations.

***Expenditure Calculations and Assumptions:***

See attachment 'AW M2-VN Office Reloc One-time cost.xls.'

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	78,000	78,000

Department of Social and Health Services

DP Code/Title: M2-VN Office Reloc One-Time Costs

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	43,000	43,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>43,000</u>	<u>43,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	35,000	35,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>35,000</u>	<u>35,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>78,000</u>	<u>78,000</u>

# 2007 Supplemental Request M2-VN Office Reloc One-Time Costs

Worksheet: Program Fiscal Impact

## Decision Package: DSHS Relocation Costs

Program	FY06			FY07			2005-07 Total		
	State	Other	Total	State	Other	Total	State	Other	Total
010	0	0	0	19,000	8,000	27,000	19,000	8,000	27,000
020	0	0	0	0	0	0	0	0	0
030	0	0	0	0	0	0	0	0	0
SCC	0	0	0	0	0	0	0	0	0
040	0	0	0	43,000	35,000	78,000	43,000	35,000	78,000
050	0	0	0	3,000	3,000	6,000	3,000	3,000	6,000
060 (no DEL)	0	0	0	91,000	83,000	174,000	91,000	83,000	174,000
DEL	0	0	0	0	0	0	0	0	0
060	0	0	0	91,000	83,000	174,000	91,000	83,000	174,000
100	0	0	0	0	0	0	0	0	0
<b>TOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>156,000</b>	<b>129,000</b>	<b>285,000</b>	<b>156,000</b>	<b>129,000</b>	<b>285,000</b>

2007 Supplemental Request  
M2-VN Office Reloc One-Time Costs

## Decision Package: DSHS Relocation Costs

Project Title	New/Relocate	No. of Staff	Square Footage	Approximate Total Costs	Control Number	Total FY07 Relocation Cost for the Project	Most Current Estimated Relocation Date	010	040	050	060 Non-DEL	060 DEL
Friday Harbor Collocation	Relocate	7	1,505	\$ 43,567	966	\$ 43,567	Dec-06	\$ 26,532		\$ 5,882	\$ 11,153	
Auburn Community Services Office	New	33	8,000	\$ 162,580	963	\$ 162,580	Jun-07				\$ 162,580	
Seattle Division of Developmental Disabilities-SOLA	Relocate	15	3,250	\$ 78,444	983	\$ 78,444	Jun-07		\$ 78,444			

Total DSHS Relocation Request

Total by Program: \$ 26,532 \$ 78,444 \$ 5,882 \$ 173,733 \$ -  
 Rounded: \$ 27,000 \$ 78,000 \$ 6,000 \$ 174,000 \$ -  
 % of Total Cost: 9.32% 27.56% 2.07% 61.05% 0.00%

Totals:

\$ 285,000  
100.00%

State	\$ 19,000	\$ 43,000	\$ 3,000	\$ 91,000	
Other	\$ 8,000	\$ 35,000	\$ 3,000	\$ 83,000	
Total:	\$ 27,000	\$ 78,000	\$ 6,000	\$ 174,000	\$ -

Construction: \$5 per square foot for extra Tenant Improvements (TI)  
 IT Infrastructure: If the space is **less than** 20,000 square feet - \$1,550 per person (\$350 per Voice/Data Jack (3 per person) + \$500 per person)  
 IT Infrastructure: If the space is **more than** 20,000 square feet - \$11,000 per person (\$350 per Voice/Data Jack (2 per person) + \$400 per person)  
 Building Infrastructure: \$1.25 per square foot for Security Systems+ \$12,000 for reasonable accommodations  
 Equipment Costs: \$750 per person  
 Moving Costs: \$300 per person  
 Contingency: 10% for extra construction costs, increased material costs, unanticipated change orders

Department of Social and Health Services

**DP Code/Title: M2-VP HRMS Workload**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests \$360,000 and 6.0 FTEs to meet the demands created by civil service reform, collective bargaining agreements, and the Human Resources Management System (HRMS).

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	88,000	88,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	92,000	92,000
<b>Total Cost</b>	<b>0</b>	<b>180,000</b>	<b>180,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>3.0</b>	<b>1.5</b>

**Package Description:**

DSHS requests \$360,000 and 6.0 FTEs for the Fiscal Year 2007 Supplemental to cover ongoing workload impact created by the Personnel Services Reform Act (PSRA) and HRMS, to include new workload such as E-Recruiting and certified lists.

In 2002 the Washington Legislature enacted a law that required a new comprehensive personnel system. This included full scale collective bargaining, new rules for competitive contracting and the need to completely redo the civil service rules and system.

This request is for 6.0 FTEs to meet institutional program needs (DSHS institutions with more than 500 FTEs) in regards to HRMS processing at our larger institutions due to the complex nature of personnel and payroll at the 24/7 facilities. The personnel and payroll departments at the institutions incur additional workload requirements, especially when manual transactions need to be entered into the system given there is no front-end automated time and attendance to HRMS. The institutions currently process payroll and leave for an estimated 6,700 employees. Many additional steps and shorter processing timelines will increase the current payroll staff's workload and creates twice-monthly spikes in workload. Manual processes including daily posting of leave changes for employees, one day payroll cutoffs on the first of a month and the sixteenth and manual coding of hourly staff overtime and multi-fill positions require additional time and labor.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This proposal relates directly to the Priorities of Government (POG). It relates specifically to the third POG result area:

Improve the Ability of Government to Achieve Results Efficiently and Effectively - by continuous improvements in managing human resources, information technology, purchasing activities, and various risks. The addition of FTE's enables the institutions to more effectively meet the new requirements of time and attendance processing in facilities with more complex 24/7 operations including the manual coding of overtime, holiday, and shift differential pays.

***Performance Measure Detail***

**Agency Level**

**Activity: D086 Residential Habilitation Facilities**

**Incremental Changes**  
**FY 1**

**FY 2**

Department of Social and Health Services

**DP Code/Title: M2-VP HRMS Workload**

**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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No measures linked to package

0.00

0.00

***Reason for change:***

HRMS workload has become more demanding and complex yet the increased and dedicated resources required by the institutions for performing the work were not provided with the new personnel and payroll system. Institution personnel and payroll resources are inadequate given the size of these facilities and the increased workload required to process under the new system.

***Impact on clients and services:***

None

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

No additional alternatives were explored. The institution programs are struggling with providing services within limited resources. The shifting of staff resources and workload leveling within facilities would not be adequate to meet the increased requirements placed on administrative staff as a result of HRMS.

***Budget impacts in future biennia:***

The FTEs and associated costs continue into future biennia.

***Distinction between one-time and ongoing costs:***

All costs are ongoing.

***Effects of non-funding:***

If the 6.0 FTE's are not funded, department institution programs will have difficulty meeting the more complex payroll time and attendance reporting requirements. Failure to meet deadlines could result in exposing the department and institutions to grievances, unfair labor practices, and employment related tort claims.

***Expenditure Calculations and Assumptions:***

See attachment "M2-VP HRMS Workload".

State of Washington  
**Decision Package**  
Department of Social and Health Services

**FINAL**

**DP Code/Title: M2-VP HRMS Workload**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	93,000	93,000
B Employee Benefits	0	38,000	38,000
E Goods And Services	0	21,000	21,000
J Capital Outlays	0	25,000	25,000
T Intra-Agency Reimbursements	0	3,000	3,000
<b>Total Objects</b>	<b>0</b>	<b>180,000</b>	<b>180,000</b>

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources</u> <u>Title</u></b>			
0011 General Fund State	0	88,000	88,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>88,000</b>	<b>88,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>			
<b><u>Sources</u> <u>Title</u></b>			
19TA Title XIX Assistance (FMAP)	0	92,000	92,000
<i>Total for Fund 001-C</i>	<b>0</b>	<b>92,000</b>	<b>92,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>180,000</b>	<b>180,000</b>

## FY07 Supplemental ML-VP HRMS Workload

	FY 2007		Total Fiscal Impact
	030	040	FY 2007
FTEs	3.0	3.0	6.0
A	93,000	93,000	186,000
B	38,000	38,000	76,000
E	21,000	21,000	42,000
G	0	0	0
J	25,000	25,000	50,000
TZ	3,000	3,000	6,000
Total:	180,000	180,000	360,000

### Assumptions:

FTEs for programs 030 and 040 are Office Administrative Assistant 3s.

There are no ED dollars assumed for programs 030 and 040 as the FTE adds will be located at the institutions.

No travel is assumed for program 030 and 040 staff.

### Assumed State/Federal Split:

	FY 2007	
	030	040
State	76.80%	49.15%
Federal	8.80%	50.85%
Local	14.40%	0.00%

	FY 2007		Total Fiscal Impact
	030	040	FY 2007
State	138,000	88,000	226,000
Federal	16,000	92,000	108,000
Local	26,000	0	26,000
Total	180,000	180,000	360,000



# **FY07 Supplemental ML-VP HRMS Workload**

## **Institutional HRMS FTE Request**

Program	Budget Unit (BU)	BU Name	Allotment		
			FY06	FY07	Biennial
030	G92	WSH	1,945.8	2,084.9	2015.35
040	H33	Rainier	976.5	972.0	974.25
030	G91	ESH	691.6	740.6	716.1
040	H34	Lakeland Village	550.9	548.5	549.7
040	H31	Fircrest	531.2	524.3	527.72
140	G90	SCC	389.9	404.6	397.25
040	H35	Yakima Valley	276.6	276.0	276.3
020	G43	Maple Lane	260.4	261.0	260.7
020	G44	Green Hill	251.0	250.4	250.7
020	G42	Echo Glen	216.2	218.5	217.35
030	G94	CSTC	142.7	142.2	142.45
040	H36	Frances Haddon	131.0	130.5	130.755
020	G45	Naselle	121.5	116.1	118.8
040	G99	Consolidated Services	64.0	64.0	64
140	G73	SCTF	43.9	54.8	49.35
040	H30	RHC - HQ	40.6	53.0	46.8

FTE Request
2.0
1.0
1.0
1.0
1.0

**Total:** 6.0

Title	WSH	Rainier	ESH	Lakeland	Fircrest	Total
OAS3	2.0	1.0	1.0	1.0	1.0	6.0

Department of Social and Health Services

**DP Code/Title: M2-VT OB-2 Rehabilitation**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests \$895,000 and 1.0 FTE beginning July 1, 2006 for expenses associated with the upcoming rehabilitation of Office Building -2 (OB-2) DSHS Headquarters.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	19,000	19,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	9,000	9,000
<b>Total Cost</b>	<b>0</b>	<b>28,000</b>	<b>28,000</b>

**Staffing**

**Package Description:**

DSHS requests \$895,000 and 1.0 FTE for Fiscal Year 2007 for the costs associated with rehabilitating OB-2.

Headquarters operations are housed in Office Building 2 on East Capital Campus, this includes several DSHS Administrations as well as DSHS Executive Management.

The department of General Administration (GA) has a rehabilitation plan for OB-2 that includes the seismic retrofit of the facility. This renovation is required to improve the structural integrity and energy efficiency of the building.

For this renovation to occur, DSHS will have to vacate one quarter of the facility in phases over approximately 18 months. This request includes moving expenses associated with this renovation. Approximately 20,000 square feet of temporary space will have to be leased for DSHS to vacate the necessary space for construction. DSHS will require 1.0 FTE to begin work to support these activities. This FTE will complete DSHS facility programming, move planning, staff communication, and move coordination in collaboration with GA FTEs. This FTE will be responsible for ensuring effective space usage to achieve an anticipated reduction of 22,000 square feet in Thurston County. In order to complete this comprehensive planning a dedicated resource is needed.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This project contributes to the Agency goal to "value and develop employees" and the objective to "provide the infrastructure, information, and systems to help employees do their jobs".

This project will provide approximately 950 DSHS staff with the facilities infrastructure to do their jobs in a safe working environment.

***Performance Measure Detail***

**Agency Level**

**Activity: D086 Residential Habilitation Facilities**  
No measures linked to package

<b>Incremental Changes</b>	
<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
0.00	0.00

***Reason for change:***

Department of Social and Health Services

**DP Code/Title: M2-VT OB-2 Rehabilitation**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07      Version: D3 040 2005-07 Agency Request 2007 Sup

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This project will support GA's efforts to improve the safety of OB-2 for building tenants during an earthquake. Specifically, it will improve the building structure to increase life safety levels in the event of an earthquake, other natural disaster, or man-made disaster.

In addition, this renovation is expected to improve energy efficiency with the replacement of windows and improvements to the buildings Heating, Ventilation And Cooling (HVAC) systems.

This project is the final phase of GA's multi-phased building rehabilitation. It is important to staff safety to complete this project at this time.

In conjunction with the rehabilitation, the DSHS Communication Room will be consolidated into the Department of Information Services (DIS) Local Area Network (LAN) room located on the Service Level of OB-2. This will allow for better infrastructure support for some of the most critical Information Technology (IT) equipment for DSHS.

***Impact on clients and services:***

This project is not expected to be disruptive to DSHS client services.

There will be minimal disruption to business operations for building tenants while the phased relocations occur.

***Impact on other state programs:***

GA will be impacted by this project. GA is responsible for building operations and construction management of this project.

***Relationship to capital budget:***

GA is submitting a capital budget request to complete the design and construction of this project.

GA's request is OB-2 Rehabilitation, number 1998-1-007. It is estimated to cost \$12.4 million and will be funded by a Certificate of Participation (COP).

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

DSHS considered vacating the building all at once.

**Cons:**

This model would have increased the costs of temporary relocation to nearly \$13,000,000. This model would have required DSHS to lease approximately 260,000 square feet of temporary space in Thurston County.

**Pros:**

This would have been less disruptive to staff and services provided in OB-2. This would have allowed construction to occur faster and would have reduced construction costs.

The alternative selected is the best alternative because it will reduce the costs of this project by over half. In addition, this will significantly reduce the amount of temporary leased space to approximately 8% of the other alternative.

This project has not been assessed against best practices. It is being developed and implemented using recently improved

Department of Social and Health Services

**DP Code/Title: M2-VT OB-2 Rehabilitation**  
**Program Level - 040 Div of Developmental Disabilities**

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Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

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procedures for the construction of DSHS leased space.

***Budget impacts in future biennia:***

This project is expected to span two biennia. The estimated cost, as assumed based on the current GA schedule, for the 2007-09 biennium is \$2,257,000 and \$2,317,000 for the 2009-11 biennium.

Beyond the 2009-11 biennium, DSHS will continue to incur an estimated \$200,000 annually for the continued maintenance of the LAN room, which is payable to DIS.

In addition, because the Capital Project will be funded through a COP, GA will be increasing the DSHS reimbursable fees to pay for the construction. This will create a fiscal impact to the GA revolving fund in program 145 (Payments to Other Agencies). Estimated costs have not been provided to date from GA. GA is creating a pro forma to document these increased costs.

This remodel is expected to greatly improve the space usage in OB-2, to the point that DSHS will be able to vacate existing DSHS leaseholds. Following the remodel, DSHS will vacate a leased facility.

The shifting of staff in Thurston County is expected to result in a in total lease cost reduction of \$482,000 annually or \$964,000 a biennium.

***Distinction between one-time and ongoing costs:***

This request is predominantly all one-time costs, except for the cost of the increased charges to DIS for the maintenance of the LAN room. These costs are to pay for the infrastructure DSHS will be using in this room on an ongoing basis.

***Effects of non-funding:***

If funding is not provided, this project will not occur.

***Expenditure Calculations and Assumptions:***

See attachment 'AW M2-VT OB-2 Rehabilitation.xls'.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
T Intra-Agency Reimbursements	0	28,000	28,000

Department of Social and Health Services

**DP Code/Title: M2-VT OB-2 Rehabilitation**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	19,000	19,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>19,000</u>	<u>19,000</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19UL	Title XIX Admin (50%)	0	9,000	9,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>9,000</u>	<u>9,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>28,000</u>	<u>28,000</u>

**2007 Supplemental Request  
M2-VT OB-2 Rehabilitation**

Worksheet: Summary

Program	Non-TZ Objects by FY				ISSD - TZ				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010			0			166,000	166,000		0	166,000	166,000
020			0			34,000	34,000		0	34,000	34,000
030			0			34,000	34,000		0	34,000	34,000
040			0			28,000	28,000		0	28,000	28,000
050			0			35,000	35,000		0	35,000	35,000
060			0			362,000	362,000		0	362,000	362,000
070			0			1,000	1,000		0	1,000	1,000
080			0			7,000	7,000		0	7,000	7,000
100			0			10,000	10,000		0	10,000	10,000
110		94,000	94,000			124,000	124,000		0	218,000	218,000
150		801,000	801,000			(801,000)	(801,000)		0	0	0
Total	0	895,000	895,000		0	0	0		0	895,000	895,000

**State/Other Split**

Program	State				Other				Total		
	2006	2007	Total		2006	2007	Total		2006	2007	Total
010		114,000	114,000			52,000	52,000			166,000	166,000
020		34,000	34,000			0	0			34,000	34,000
030		24,000	24,000			10,000	10,000			34,000	34,000
040		19,000	19,000			9,000	9,000			28,000	28,000
050		19,000	19,000			16,000	16,000			35,000	35,000
060		181,000	181,000			181,000	181,000			362,000	362,000
070		1,000	1,000			0	0			1,000	1,000
080		7,000	7,000			0	0			7,000	7,000
100		8,000	8,000			2,000	2,000			10,000	10,000
110		139,000	139,000			79,000	79,000			218,000	218,000
150		0	0			0	0			0	0
Total	0	546,000	546,000		0	349,000	349,000		0	895,000	895,000

# 2007 Supplemental M2-VT OB-2 Rehabilitation

## OB-2 Rehabilitation Summary

<b>STAFF COSTS</b>	<b>FTE'S</b>	<b>COSTS PER ITEM</b>	<b>TOTAL COST</b>	<b>FY07</b>
Facilities Project Manager	1	\$ 95,000	\$ 95,000	\$ 95,000
IT Coordinator	0.5	\$ 48,000	\$ 48,000	\$ -
<b>Total Annual Staffing Estimate</b>			<b>\$ 143,000</b>	<b>\$ 95,000</b>

## OB2 COSTS

### INFRASTRUCTURE& MOVING COSTS

	<b>NUMBER OF ITEMS</b>	<b>COSTS PER ITEM</b>	<b>TOTAL COST</b>	<b>FY07</b>
<b>Voice and Data Expenses</b>				
<b>DIS Costs</b>				
Relocation and Installation of Equipment		-	-	600,000
DIS Maintenance Costs for Relocation of LAN Room		200,000	200,000	200,000
<b>Subtotal: Total Project Estimate</b>			<b>1,540,000</b>	<b>800,000</b>

<b>GRAND TOTAL</b>	<b>\$ 895,000</b>
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05-07 Biennium                      \$                      895,000

#### Assumptions:

Temporary LAN Room includes: equipment, HVAC, and Set-up

# 2007 Supplemental M2-VT OB-2 Rehabilitation

## OB-2 Rehabilitation Summary

FY07	FTE	A	B	E	J	TZ	TOTAL
010 Children and Family Services						166,000	166,000
020 Juvenile Rehabilitation						34,000	34,000
030 Mental Health						32,000	32,000
040 Developmental Disabilities						28,000	28,000
050 Aging and Adult Services						35,000	35,000
060 Economic Services						362,000	362,000
070 Alcohol and Substance Abuse						1,000	1,000
080 Medical Assistance						7,000	7,000
100 Vocational Rehabilitation						8,000	8,000
100-1 Deaf & Hard of Hearing						2,000	2,000
110 Administration	1.0	63,000	16,000	7,000	8,000	124,000	218,000
SCC Special Commitment Center						2,000	2,000
150 Information System Services Division	-	-	-	801,000	-	(801,000)	-
<b>Total</b>	<b>1.0</b>	<b>63,000</b>	<b>16,000</b>	<b>808,000</b>	<b>8,000</b>	<b>-</b>	<b>895,000</b>

90

Biennial TOTAL	FTE	A	B	E	J	TZ	TOTAL
010 Children and Family Services	-	-	-	-	-	166,000	166,000
020 Juvenile Rehabilitation	-	-	-	-	-	34,000	34,000
030 Mental Health	-	-	-	-	-	32,000	32,000
040 Developmental Disabilities	-	-	-	-	-	28,000	28,000
050 Aging and Adult Services	-	-	-	-	-	35,000	35,000
060 Economic Services	-	-	-	-	-	362,000	362,000
070 Alcohol and Substance Abuse	-	-	-	-	-	1,000	1,000
080 Medical Assistance	-	-	-	-	-	7,000	7,000
100 Vocational Rehabilitation	-	-	-	-	-	8,000	8,000
100-1 Deaf & Hard of Hearing	-	-	-	-	-	2,000	2,000
110 Administration	0.5	63,000	16,000	7,000	8,000	124,000	218,000
SCC Special Commitment Center	-	-	-	-	-	2,000	2,000
150 Information System Services Division	-	-	-	801,000	-	(801,000)	-
<b>Total</b>	<b>0.5</b>	<b>63,000</b>	<b>16,000</b>	<b>808,000</b>	<b>8,000</b>	<b>-</b>	<b>895,000</b>



**2007 Supplemental  
M2-VT OB-2 Rehabilitation**

**PROGRAM 110 STAFF COSTS**

	FY 06	FY 07	TOTAL
<b><u>FTE</u></b>			
Facilities Project Manager	-	1.0	0.5
<b>TOTAL</b>	-	1.0	0.5

**OBJECTS**

<b>SALARY</b>			
Facilities Project Manager	-	63,000	63,000
<b>TOTAL</b>	-	63,000	63,000

<b>BENEFITS</b>			
Facilities Project Manager	-	16,000	16,000
<b>TOTAL</b>	-	16,000	16,000

<b>GOODS AND SERVICES</b>			
Facilities Project Manager	-	7,000	7,000
<b>TOTAL</b>	-	7,000	7,000

<b>EQUIPMENT</b>			
Facilities Project Manager	-	8,000	8,000
<b>TOTAL</b>	-	8,000	8,000

<b>ISSD-TZ</b>			
Facilities Project Manager	-	1,000	1,000
<b>TOTAL</b>	-	1,000	1,000

<b>TOTAL</b>			
Facilities Project Manager	-	95,000	95,000
<b>TOTAL</b>	-	95,000	95,000

**FUNDS**

<b>STATE</b>			
Facilities Project Manager	-	61,000	61,000
<b>TOTAL</b>	-	61,000	61,000

<b>FEDERAL</b>			
Facilities Project Manager	-	34,000	34,000
<b>TOTAL</b>	-	34,000	34,000

<b>TOTAL</b>			
Facilities Project Manager	-	95,000	95,000
<b>TOTAL</b>	-	95,000	95,000

# 2007 Supplemental M2-VT OB-2 Rehabilitation

## ISSD Costs

	Staff Costs	Relocation Equipment /Install	Ongoing DIS	LAN Room Equipment	Total
<b>FY2007</b>					
FTE					-
A Salaries					-
B Benefits					-
E Goods & Services		200,000	200,000		400,000
J Equipment		400,000			400,000
TZ Recoveries	-	(600,000)	(200,000)	-	(800,000)
Total	-	-	-	-	-

	<b>FY2006</b>	<b>FY2007</b>
<b>Program TZ Distribution</b>		
010 Children and Family Services	-	166,000
020 Juvenile Rehabilitation	-	34,000
030 Mental Health	-	32,000
040 Developmental Disabilities	-	28,000
050 Aging and Adult Services	-	35,000
060 Economic Services	-	362,000
070 Alcohol and Substance Abuse	-	1,000
080 Medical Assistance	-	7,000
100 Vocational Rehabilitation	-	8,000
100-1 Deaf & Hard of Hearing	-	2,000
110 Administration	-	123,000
SCC Special Commitment Center	-	2,000
150 Information System Services Division	-	-
Total	-	800,000

	Enclosure Distribution	ISSD Enterprise Distribution	Total Cost Distribution
010 Children and Family Services	11.98%	8.77%	20.75%
020 Juvenile Rehabilitation	3.11%	1.10%	4.21%
030 Mental Health	3.11%	0.91%	4.02%
040 Developmental Disabilities	1.56%	1.92%	3.48%
050 Aging and Adult Services	1.56%	2.81%	4.37%
060 Economic Services	19.26%	25.93%	45.19%
070 Alcohol and Substance Abuse	0.00%	0.11%	0.11%
080 Medical Assistance	0.00%	0.93%	0.93%
100 Vocational Rehabilitation	0.00%	1.02%	1.02%
100-1 Deaf & Hard of Hearing	0.31%	0.00%	0.31%
110 Administration	12.45%	2.93%	15.38%
SCC Special Commitment Center	0.00%	0.23%	0.23%
150 Information System Services Division	46.66%	(46.66%)	0.00%
Total	100.00%	0.00%	100.00%

Department of Social and Health Services

**DP Code/Title: M2-WN Network Switch Replacement**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This request of \$238,000 (\$139,000 GF-State) replaces out of date network switches in Division of Developmental Disabilities (DDD) offices to maintain the communications infrastructure and avoid outages.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	139,000	139,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	99,000	99,000
<b>Total Cost</b>	<b>0</b>	<b>238,000</b>	<b>238,000</b>

**Staffing**

**Package Description:**

Current network switches in DDD offices are past warranty (three years) and are being used beyond their anticipated reliable life of median time between failure (five years). This request will replace aging switches to maintain essential network communication for DDD offices.

**Narrative Justification and Impact Statement**

*How contributes to strategic plan:*

REINFORCE STRONG MANAGEMENT TO INCREASE PUBLIC TRUST

Objective 1: Improve IT capacity to support management needs

a. Increase the capacity, security and availability of network and systems to meet changing needs and requirements.

This request will strengthen the out of warranty infrastructure in DDD offices. Stable switches will ensure the timely and accurate submission of client data, avoid outages, and maintain system average response times.

***Performance Measure Detail***

**Agency Level**

**Activity: D036 Field Services**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: D086 Residential Habilitation Facilities**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

**Activity: D095 State Operated Living Alternatives**

No measures linked to package

**Incremental Changes**

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

***Reason for change:***

Current routers and switches in DDD offices are out of warranty and exceed expected median times between failure rates. A router failure in a DDD office will result in significant downtime and the inability to submit client authorizations and assessments in a timely manner.

Department of Social and Health Services

**DP Code/Title: M2-WN Network Switch Replacement**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

***Impact on clients and services:***

Existing services will continue uninterrupted with this addition of funds.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Option #1 No action. Let systems fail and replace as failure occurs. This option will result in unacceptable downtime and delayed services to DDD clients and stakeholders.

Option #2 Maintain several backup routers in each region. This option will result in less downtime, but would still create significant delay in client authorizations and assessments.

***Budget impacts in future biennia:***

Network switches have a useful life span of five years. Similar costs would occur regularly at that interval.

***Distinction between one-time and ongoing costs:***

These costs would occur on a regular five year interval.

***Effects of non-funding:***

A failed switch will disrupt communications between that office and DDD headquarters. Client authorizations and assessments will not be able to be transmitted. This will delay the department's ability to meet client needs.

***Expenditure Calculations and Assumptions:***

See attachment - DDD M2-WN Network Switch Replacement.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
J Capital Outlays	0	238,000	238,000

Department of Social and Health Services

**DP Code/Title: M2-WN Network Switch Replacement**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	139,000	139,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>139,000</u>	<u>139,000</u>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19TA	Title XIX Assistance (FMAP)	0	99,000	99,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>99,000</u>	<u>99,000</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>238,000</u>	<u>238,000</u>

## 2007 Supplemental M2-WN Network Switch Replacement

### Includes DDD HQ, all Regional Offices and RHCs

#### Region 1

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
FSO Spokane	48 Port	4	3560/48	\$7,450	\$29,800
<b>Sub-Total:</b>					<b>\$29,800</b>

#### Region 2

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
Kennewick	48 port	1	3560/48	\$7,450	\$7,450
Sunnyside	24 port	1	3560/24	\$4,920	\$4,920
Walla Walla	24 port	1	3560/24	\$4,920	\$4,920
Yakima	48 port	1	3560/48	\$7,450	\$7,450
Yakima	96 ports	2	3560/48	\$14,900	\$14,900
<b>Sub-Total:</b>					<b>\$39,640</b>

#### Region 3

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
Everett	72 ports	2	3560/48	\$14,900	\$14,900
Oak Harbor	48 ports	1	3560/48	\$7,450	\$7,450
Mount Vernon	24 ports	1	3560/24	\$4,920	\$4,920
Bellingham	48 ports	1	3560/48	\$7,450	\$7,450
<b>Sub-Total:</b>					<b>\$34,720</b>

#### Region 4

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
Capitol Hill	48 port	1	3560/48	\$7,450	\$7,450
Kent	24 port	1	3560/24	\$4,920	\$4,920
SOLA	24 port	1	3560/24	\$4,920	\$4,920
<b>Sub-Total:</b>					<b>\$17,290</b>

#### Region 5

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
Tacoma	48 port x 3	1	3560/48	\$7,450	\$7,450
Kitsap	48 Port	1	3560/48	\$7,450	\$7,450
<b>Sub-Total:</b>					<b>\$14,900</b>

#### Region 6

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
Aberdeen	24 port	1	3560/24	\$4,920	\$4,920
Centralia	24 port	1	3560/24	\$4,920	\$4,920
Kelso	24 port	1	3560/24	\$4,920	\$4,920
Long Beach	24 port	1	3560/24	\$4,920	\$4,920
Pt Angeles	24 port	1	3560/24	\$4,920	\$4,920
Pt Townsend	24 port	1	3560/24	\$4,920	\$4,920
Shelton	24 port	1	3560/24	\$4,920	\$4,920
South Bend	24 port	1	3560/24	\$4,920	\$4,920
Tumwater	96 port + 24 port	2	3560/48	\$14,900	\$14,900
Vancouver	48 port + 24 port	1	3560/48	\$7,450	\$7,450
<b>Sub-Total:</b>					<b>\$61,710</b>

#### RHC - Rainier School

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
Rainier School	24 port	4	3560/24	\$4,920	\$19,680

#### RHC - FHMC

<u>Office</u>	<u>Switch Ports Needed</u>	<u>Quantity</u>	<u>Switch Type</u>	<u>Unit Price</u>	<u>Total</u>
FHMC	72 port	2	3560/48	\$7,450	\$14,900
FHMC	24 port	1	3560/24	\$4,920	\$4,920
<b>Sub-Total</b>					<b>\$19,820</b>

**Total Cost: \$238,000**

Department of Social and Health Services

**DP Code/Title: M2-WP Client Identity Theft Protection**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

**Recommendation Summary Text:**

This item requests \$120,000 in Fiscal Year 2007 to purchase software to protect sensitive client information from theft or loss. The Aging and Disability Services Administration (ADSA) is especially vulnerable to this threat as it uses laptops out in the home to assess client status and need.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	60,000	60,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	60,000	60,000
<b>Total Cost</b>	<b>0</b>	<b>120,000</b>	<b>120,000</b>

**Staffing**

**Package Description:**

During the years of 2004-2006, a total of 48 laptops, several Compact Discs and two thumb drives were stolen from ADSA Case Resource Managers. The laptops and the removable media have all contained sensitive client information. This item requests \$120,000 in Fiscal Year 2007 to purchase software to protect sensitive client information from theft or loss. ADSA is especially vulnerable to this threat as it uses laptops out in client residences to assess client status and need. Software solutions include full hard-disk and removable media encryption software, as well as tracking software that will locate stolen laptops and allow ADSA to erase data remotely.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

**G: REINFORCE STRONG MANAGEMENT TO INCREASE PUBLIC TRUST**

**Objective 1: Improve IT capacity to support management needs**

- a. Increase the capacity, security and availability of network and systems to meet changing needs and requirements.

This request will dramatically increase the security of mobile computing with laptop computers. The solution has been tested and verified to prevent client identity theft when laptops are stolen by encrypting the entire hard disk. Additional software will track the stolen machine so that it can be recovered.

**Objective 3: Strengthen risk management practices to assure quality services and prevent risks**

- a. Expand risk management capacity and infrastructure to enhance agency-wide integrated risk management strategy.

This industry best practice solution will mitigate risk the department incurs when client identities are compromised through theft of laptops.

**H: STRENGTHEN DATA-DRIVEN DECISION MAKING**

**Objective 3: Expand and leverage information technologies to improve decision-making**

- d. Improve DD case management by using case management information system to monitor and authorize most appropriate services and resources.

This solution will enable the department to continue to assess and manage client cases in the homes of disabled individuals by

Department of Social and Health Services

**DP Code/Title: M2-WP Client Identity Theft Protection**

**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 040 2005-07 Agency Request 2007 Sup

ensuring the safety of the practice.

**Performance Measure Detail**

**Agency Level**

**Activity: D079 Program Support for Developmental Disabilities**

No measures linked to package

**Incremental Changes**

**FY 1**

0.00

**FY 2**

0.00

**Reason for change:**

During the years of 2004-2005, a total of 41 laptops and 16 desktop computers were lost or stolen. Using the 2006 Computer Security Institute/Federal Bureau of Investigation (CSI/FBI) Security Survey data if each instance was properly reported and acted upon the total cost to the administration would have amounted to \$1,713,249 or \$30,057 per occurrence. In several states, there are laws requiring the proper reporting of lost/stolen equipment. As our systems, containing the Comprehensive Assessment Reporting Evaluation(CARE) program, hold client data credit monitoring would also be required at an estimated cost of \$45,000 per year for 600 clients. Over the three year monitoring time period that amounts to \$135,000. This makes the total cost for each lost/stolen machine \$165,057 or a total of \$9,408,249 for all 57 machines lost/stolen during the past two years.

**Impact on clients and services:**

Implementation of this proposal will be transparent to case resource managers and clients. Encryption of these machines will eliminate the need to alarm clients with notices that their identities may have been compromised. Staff time retrieving client information from lost machines will be saved and machines that have newer security chips will be able to be tracked and retrieved. This will save money that would otherwise have to be spent replacing the machines.

**Impact on other state programs:**

Not applicable

**Relationship to capital budget:**

Not applicable

**Required changes to existing RCW, WAC, contract, or plan:**

Not applicable

**Alternatives explored by agency:**

ADSA initiated a Laptop Security project to explore all available options to secure client identity on laptops, compact discs and other removable devices.

Our first attempt was to use the free partial disc encryption that comes with Windows XP. This solution failed to completely protect client data which has been found to be scattered throughout case resource manager's hard drives. The Windows XP solution also conflicted with our ability to remotely administer the laptops for security fixes which would have made the laptops vulnerable and out of compliance with Government Management Accountability and Performance (GMAP) patching standards.

The selected solutions are Western States Contracting Alliance (WSCA) vendors are noted as state of the art in trade journals. This proposal represents a more than 50% cost savings over general market rates for these products.

**Budget impacts in future biennia:**



Department of Social and Health Services

**DP Code/Title: M2-WP Client Identity Theft Protection**  
**Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2005-07 Version: D3 .040 2005-07 Agency Request 2007 Sup

Licenses for the software represent three year cycles to coincide with the lease life of the laptops. These costs will recur in each biennia as an essential part of a secure mobile computing environment.

***Distinction between one-time and ongoing costs:***

All costs will continue in to the future.

***Effects of non-funding:***

Sensitive client information and identities will continue to be vulnerable to compromise and loss on DDD laptops and removable media.

***Expenditure Calculations and Assumptions:***

See attachment - DDD M2-WP Client Identity Theft Protection.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
E Goods And Services	0	120,000	120,000
<b><u>DSHS Source Code Detail</u></b>			
<b>Overall Funding</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Fund 001-1, General Fund - Basic Account-State			
<b><u>Sources Title</u></b>			
0011 General Fund State	0	60,000	60,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>60,000</u>	<u>60,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<b><u>Sources Title</u></b>			
19UL Title XIX Admin (50%)	0	60,000	60,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>60,000</u>	<u>60,000</u>
<b>Total Overall Funding</b>	<u>0</u>	<u>120,000</u>	<u>120,000</u>

**2007 Supplemental  
M2-WP Client Identity Theft Protection**

**DDD StateWide Machines (Including RHCs)**

**Machine Breakdown**

<b>DDD</b>	852
<b>YVS</b>	124
<b>Rainier</b>	260
<b>Lakeland</b>	219
<b>Fircrest</b>	209
<b>FHMC</b>	59
<b>Total:</b>	<b>1,723</b>

<b>Number or Machines</b>			<b>Encryption Software</b>	
			<b>Cost/Per</b>	<b>Division Cost</b>
<b>DDD</b>	1,723	x	\$60	\$103,380

<b>Number or Laptops</b>			<b>LoJack/Locator</b>	
			<b>Cost/Per</b>	<b>Division Cost</b>
<b>DDD</b>	222	x	\$75	\$16,650

<b>Encryption Software</b>	\$103,000
<b>LoJack/Locator</b>	\$17,000
<b>Total</b>	<b>\$120,000</b>